

Hardcastle Restaurants Private Limited
CIN: U55101MH1995PTC091422

Financial statements
for the year ended March 31, 2024

Hardcastle Restaurants Private Limited

Balance Sheet

as at March 31, 2024

(Rs. in millions)

	Note No.	As at March 31, 2024	As at March 31, 2023
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4 (A)	7,701.79	6,591.36
(b) Capital work-in-progress	4(c)	446.96	566.81
(c) Right of use assets	41(i)	9,605.84	8,757.62
(d) Other Intangible assets	4 (A)	396.18	414.46
(e) Financial assets			
(i) Investments	5	645.39	533.80
(ii) Loans	6	2.96	4.78
(iii) Other financial assets	7	487.41	448.43
(f) Income tax assets (net)	12	155.79	141.55
(g) Deferred tax assets (net)	16	707.59	603.68
(h) Other assets	8	276.10	321.97
Total non-current assets		20,426.01	18,384.46
2 Current assets			
(a) Inventories	9	632.39	714.27
(b) Financial assets			
(i) Investments	5	605.91	645.03
(ii) Trade receivables	10	173.29	106.94
(iii) Cash and cash equivalents	11	138.38	76.39
(iv) Bank balances other than (iii) above	11	0.05	201.57
(v) Loans	6	198.73	297.50
(vi) Other financial assets	7	132.76	61.38
(c) Other assets	8	147.43	130.81
Total current assets		2,028.94	2,233.89
TOTAL ASSETS		22,454.95	20,618.35
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	13	873.81	873.81
(b) Other equity		4,590.48	4,423.13
Total equity		5,464.29	5,296.94
2 LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	41(ii)	9,975.15	8,864.58
(ii) Other financial liabilities	14	1.74	2.01
(b) Provisions	15	-	7.76
Total non-current liabilities		9,976.89	8,874.35
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	2,418.43	2,070.00
(ii) Lease liabilities	41(ii)	1,259.82	1,095.45
(iii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		31.80	52.34
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,985.47	1,816.04
(iv) Other financial liabilities	14	900.86	962.10
(b) Other liabilities	19	318.31	328.53
(c) Provisions	15	99.08	122.60
Total current liabilities		7,013.77	6,447.06
TOTAL EQUITY AND LIABILITIES		22,454.95	20,618.35

Summary of material accounting policies

3

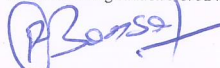
The accompanying notes 1 - 47 are an integral part of the financial statements

As per our report of even date attached

For S R B C & Co LLP

Chartered Accountants

ICAI Firm's Registration No: 324982E/E300003



per Ravi Bansal

Partner

Membership No: 049365

Place: Mumbai

Date: May 08, 2024



For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited



Saurabh Kalra

Managing Director

DIN: 10057845



Saurabh Bhudolia

Chief Financial Officer

Place: Mumbai

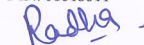
Date: May 08, 2024



Sanjay Kumar Soni

Whole Time Director

DIN: 01048644



Radha Jain

Company Secretary

Membership No: A28006

Hardcastle Restaurants Private Limited

Statement of profit and loss

for the year ended March 31, 2024

(Rs. in millions)

	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	20	23,908.84	22,775.49
Other income	21	182.83	205.03
Total income		24,091.67	22,980.52
Expenses			
Cost of materials consumed	22	7,106.93	6,859.99
Employee benefits expense	23	3,285.36	3,105.78
Finance costs	24	1,098.68	927.47
Depreciation and amortisation expense	25	1,822.24	1,521.86
Other expenses	26	9,810.70	9,063.51
Total expenses		23,123.91	21,478.61
Profit before tax		967.76	1,501.91
Tax expense			
- Current tax	27	373.26	465.60
- Adjustment of tax relating to earlier periods	27	6.44	-
- Deferred tax credit	27	(129.01)	(86.87)
Total tax expense		250.69	378.73
Profit for the year		717.07	1,123.18
Other comprehensive income:			
Items that will not be reclassified to profit and loss :			
Re-measurements of defined benefit plan		(9.58)	12.74
Income tax on items that will not be reclassified to profit and loss	27	2.41	(3.22)
Total other comprehensive (losses) / income for the year		(7.17)	9.52
Total comprehensive income for the year		709.90	1,132.70
Earnings per equity share :			
- Basic and Diluted (in Rs.)	39	820.62	1,285.38
Summary of material accounting policies	3		

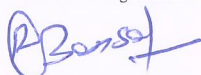
The accompanying notes 1 - 47 are an integral part of the financial statements

As per our report of even date attached

For **S R B C & Co LLP**

Chartered Accountants

ICAI Firm's Registration No: 324982E/E300003



per **Ravi Bansal**

Partner

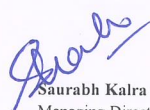
Membership No: 049365

Place: Mumbai

Date: May 08, 2024



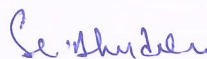
For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited



Saurabh Kalra

Managing Director

DIN: 10057845



Saurabh Bhudolia

Chief Financial Officer

Place: Mumbai

Date: May 08, 2024

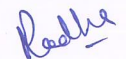




Sanjay Kumar Soni

Whole Time Director

DIN: 01048644



Radha Jain

Company Secretary

Membership No: A28006

Hardcastle Restaurants Private Limited

Statement of changes in equity

for the year ended March 31, 2024

(Rs. in millions)

(a) Equity share capital

Particulars	Note	Amount
Balance as at April 01, 2022	13	873.81
Changes in equity share capital during 2022-23		-
Balance as at March 31, 2023		873.81
Changes in equity share capital during 2023-24		-
Balance as at March 31, 2024		873.81

(b) Other equity

for the year ended March 31, 2023

Particulars	Equity contribution	Reserves and Surplus			Total
		Securities premium	Capital Contribution for Share Based Payments	Retained earnings	
Balance at the April 1, 2022	2,791.33	168.16	-	330.93	3,290.43
Profit for the year ended March 31, 2023	-	-	-	1,123.18	1,123.18
Other comprehensive income	-	-	-	9.52	9.52
Balance as at March 31, 2023	2,791.33	168.16	-	1,463.63	4,423.13

for the year ended March 31, 2024

Particulars	Equity contribution	Reserves and Surplus			Total
		Securities premium	Capital Contribution for Share Based Payments	Retained earnings	
Balance at the April 1, 2023	2,791.33	168.16	-	1,463.63	4,423.13
Profit for the year ended March 31, 2024	-	-	-	717.07	717.07
Recognition of Share Based Payment (Refer Note 38)	-	-	73.50	-	73.50
Other comprehensive loss	-	-	-	(7.17)	(7.17)
Final Dividend (2022-23: Rs 705 per share)	-	-	-	(616.04)	(616.04)
Balance as at March 31, 2024	2,791.33	168.16	73.50	1,557.49	4,590.48

Loss of Rs. 7.17 million and gain of Rs. 9.52 million on remeasurment of defined benefit plan (net of tax) is recognised as part of retained earning for the year ended on March 31, 2024 and March 31, 2023 respectively.



Hardcastle Restaurants Private Limited

Statement of changes in equity (Continued)

for the year ended March 31, 2024

(Rs. in millions)

(b) Other equity (Continued)

Nature and purpose of reserves:

Equity contribution :

Equity contribution consists of fair valuation of long term borrowings and cumulative redeemable preference shares received from parent company.

Securities premium reserve:

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of Section 52(2) of Companies Act, 2013.

Capital Contribution for Share Based Payments:

This reserve represents fair value of options issued to employees under Employee Stock Option Scheme by the Holding Company.

Retained earnings:

The cumulative gain or loss arising from operations which is retained by the Company less utilisation on account of dividend paid, is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the statement of profit and loss to the retained earnings account. Retained earnings includes re-measurement (loss)/gain on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss.

Summary of material accounting policies

3


The accompanying notes 1 - 47 are an integral part of the financial statements

As per our report of even date attached

For SRBC & Co LLP

Chartered Accountants

ICAI Firm's Registration No: 324982E/E300003



per Ravi Bansal

Partner


Membership No: 049365

Place: Mumbai

Date: May 08, 2024




For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited


Saurabh Kalra
Managing Director
DIN: 10057845
Saurabh Bhudolia
Chief Financial Officer

Place: Mumbai

Date: May 08, 2024


Sanjay Kumar Soni
Whole Time Director
DIN: 01048644
Radha Jain
Company Secretary
Membership No: A28006

Hardcastle Restaurants Private Limited

Statement of cash flows

for the year ended March 31, 2024

(Rs. in millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	967.76	1,501.91
Adjustments for :		
Depreciation and amortisation expense	1,822.24	1,521.86
Provision for doubtful receivables	0.88	-
Loss on sale / write off of property, plant and equipment	63.55	80.58
Finance cost	1,098.68	927.47
Employee share based payment expenses	72.18	71.17
Interest income	(65.46)	(71.46)
(Gain) / loss on fair value changes (net)	(86.67)	56.41
Loss / (gain) on sale of current investment (net)	14.38	(78.61)
Gain on lease modification, concession and termination (net)	-	(39.65)
Miscellaneous provision written back	(142.30)	(103.92)
Operating profit before working capital changes	3,745.24	3,865.76
B. Movements in working capital		
(Increase) / Decrease in inventories	81.88	(154.82)
Decrease / (Increase) in trade receivables	(66.35)	26.13
(Increase) in other financial assets	(165.66)	(94.65)
(Increase) / Decrease in other assets	7.61	(77.11)
Increase in trade payables	291.19	258.05
(Decrease) / Increase in other financial liabilities	(84.98)	78.57
(Decrease) / Increase in provisions	(20.55)	(17.26)
Increase / (Decrease) in other liabilities	(10.22)	60.12
Cash generated from operations	3,778.16	3,944.79
Income tax (paid) / refund (net)	(386.75)	(438.85)
C. NET CASH GENERATED FROM OPERATING ACTIVITIES	3,391.41	3,505.94
D. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment, intangible assets and capital work-in-progress (including capital advances)	(2,166.25)	(2,696.30)
Proceeds from sale of property, plant and equipment	12.11	5.69
(Purchase) / Proceeds from deposits placed with banks	199.99	(200.66)
Interest income	67.58	71.47
Loans to related parties (net)	25.59	(84.08)
Loans to other parties (net)	75.00	(14.32)
Purchase of investments	(338.77)	(458.23)
Proceeds from sale of investments	338.59	692.34
NET CASH USED IN INVESTING ACTIVITIES	(1,786.16)	(2,684.09)
E. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of short-term borrowings (net)	348.43	60.00
Repayment of lease liabilities	(1,078.52)	(876.82)
Interest paid	(197.13)	(142.74)
Final dividend Paid	(616.04)	-
NET CASH USED IN FINANCING ACTIVITIES	(1,543.26)	(959.56)
NET INCREASE IN CASH AND CASH EQUIVALENTS	61.99	(137.71)
Cash and cash equivalents at the beginning of the year	76.39	214.10
Cash and cash equivalents at the end of the year	138.38	76.39
NET INCREASE IN CASH AND CASH EQUIVALENTS	61.99	(137.71)



Hardcastle Restaurants Private Limited

Statement of cash flows (Continued)

for the year ended March 31, 2024

(Rs. in millions)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Notes to Statement of cash flows		
1. Components of cash and cash equivalents		
Cash and bank balances (refer note 11)	138.43	277.96
Less: Bank deposits due to mature before twelve months from the reporting date and having original maturity of more than 3 months (refer note 11)	0.05	201.57
Total cash and cash equivalents	<u>138.38</u>	<u>76.39</u>
2 Reconciliation of movement in borrowings to cash flows from financing activities:		
Opening balance		
Borrowings (other than debt securities)	2,070.00	2,010.00
Cash flow movements		
Proceeds from borrowings (net)	348.43	60.00
Closing balance	<u>2,418.43</u>	<u>2,070.00</u>
3 There are no non-cash charges on account of effect of changes in foreign-exchange rates and fair values.		
4 The above Statement of Cash Flows has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 – Statement of Cash Flows.		
5 The accompanying notes 1 - 47 are an integral part of the financial statements		

As per our report of even date attached

For **S R B C & Co LLP**

Chartered Accountants

ICAI Firm's Registration No: 324982E/E300003



per Ravi Bansal

Partner

Membership No: 049365


Place: Mumbai


Date: May 08, 2024

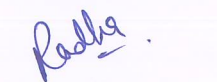


For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited


Saurabh Kalra
Managing Director
DIN: 10057845


Sanjay Kumar Soni
Whole Time Director
DIN: 01048644


Saurabh Bhudolia
Chief Financial Officer


Radha Jain
Company Secretary
Membership No: A28006

Place: Mumbai
Date: May 08, 2024

Hardcastle Restaurants Private Limited

Notes to the financial statements

for the year ended March 31, 2024

1 Company background

Hardcastle Restaurants Private Limited ("the Company") is a company incorporated on August 7, 1995 under Companies Act, 1956. The Company is a private Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 1001, Tower-3, 10th Floor, One International Center, Senapati Bapat Marg, Prabhadevi, Mumbai - 400 013, Maharashtra, India.

The Company is principally engaged in putting up and operating Quick Service Restaurants (QSR) in India i.e. McDonalds' chain of restaurants in the West and South regions of India.

The financial statements were approved for issue in accordance with a resolution of the directors on 8th May 2024.

2 Basis of preparation

A Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act 2013, (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other provisions of the Act, (the 'Act') to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (ICAI).

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is the Company's functional currency. All financial information presented in Indian rupee has been rounded to the nearest million unless otherwise indicated.

C Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items :

Items	Measurement
Certain financial assets and liabilities	Fair value
Liabilities for share-based arrangements	Fair value
Net defined benefit (asset)/ liability less defined value of present obligation	Fair value of plan assets less present value of defined benefit obligations
Mutual Funds and Bonds	Fair value

D Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle,
- Held primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) for the year ended March 31, 2024

2 Basis of preparation (Continued)

E Use of estimates and judgements

The preparation of the financial statements in conformity with Ind ASs, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent liabilities on the date of balance sheet and reported amounts of revenue and expenses for the period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in future periods.

Provision for income tax and deferred tax assets

The Company uses estimates and judgement based on the relevant rulings in the areas of allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Impairment of non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired.

Defined benefit

The Company's gratuity plan is a defined benefit plan. The present value of the defined benefit obligation is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Share based payment

The Company measures share-based payments and transactions at fair value and recognises over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 38.

F Measurement of fair values

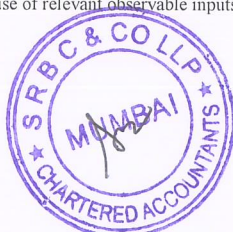
A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company has an established control framework with respect to the measurement of fair values. The Company engages with external valuers for measurement of fair values in the absence of quoted prices in active markets. Significant valuation issues are reported to the Company's audit committee.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

2 Basis of preparation (Continued)

F Measurement of fair values (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (including those carried at amortised cost) (refer note 28)
- Disclosures for valuation methods, significant estimates and assumptions (refer note 28)
- Quantitative disclosures of fair value measurement hierarchy (refer note 28)

3 Material accounting policies

a Revenue recognition

Revenues from contracts with customers are recognised when the performance obligations towards customer ie when control has been transferred at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the transaction price (net of variable consideration) received or receivable, taking into account contractually defined terms of payment and net of taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

No element of financing is deemed present as majority of sales are on cash basis and credit sales are made with normal credit period consistent with market practice.

Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

The Company recognises revenue from the sale of food and other goods through company's own stores and are recognised when the items are delivered to or carried out by customers. Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of customer returns, trade allowance, rebate, goods and services tax. Gift vouchers sale are recognised when the vouchers are redeemed and the goods are sold to the customers.

Sale of products – customer loyalty programme (deferred revenue)

For customer loyalty programmes, the fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Company has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

The deferred income related to loyalty credits granted has been estimated with reference to the fair value of products for which they could be redeemed. This is because the fair value of loyalty credits is not directly observable. The fair value of the customers' right to buy products at a discount for which the loyalty credits can be redeemed takes into account the amount of discount available to customers who have earned the loyalty credits remaining unutilised and the expected forfeiture rate.

Sale of scrap

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Other operating income

Franchisee income, space rental and alliance income and conducting fees are recognised on an accrual basis in accordance with terms of relevant agreement.

Other income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) for the year ended March 31, 2024

3 Material accounting policies (Continued)

a Revenue recognition (Continued)

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (D) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

b Property, plant and equipment

- 1 Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Further contribution received from landlords in respect of leasehold improvements carried out to leasehold premises is deducted from leasehold improvement cost. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

- 2 Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- 3 Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful lives	Useful life as per Schedule II
Building	28 years	30 years
Leasehold improvements (others)	15 years or lease period (whichever is lower)	-
Leasehold improvements (office)	9 - 10 years	-
Restaurant Equipments	5 - 10 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	5 - 10 years	10 years
Computers	3 years	3 years
Vehicles	4 years	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) for the year ended March 31, 2024

3 Material accounting policies (Continued)

b Property, plant and equipment (Continued)

4 Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Initial location & license fees for stores opened up to May 15, 2010, are amortised on a straight line basis over a period of twenty years. For stores opened after May 15, 2010, Initial location & license fees are amortised on a straight line basis over the remaining period of the Master Franchise Agreement.

The Company also has software as an intangible asset having a useful life of 5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

c Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of materials has been determined on first-in-first out basis (FIFO). Cost of inventories comprises of all cost of purchase and other cost incurred in bringing the inventories to its present location and condition. The comparison of cost and net realizable value is made on an item by item basis. The Company periodically assesses the inventory for obsolescence and slow moving stocks.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

3 Material accounting policies (Continued)

d Employee benefits

Defined contribution plan

State governed Provident Fund, ESIC and Labour Welfare Fund is considered as defined contribution plan and contributions thereto are charged to the Statement of Profit and Loss for the year as they are incurred. There are no other obligations, other than the contribution payable to the respective funds.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

e Foreign currency transactions

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or an average rate if the average rate approximates the actual rate on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Exchange differences are recognised in the statement of profit or loss.

f Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

3 Material accounting policies (Continued)

f Income taxes (Continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the deferred tax assets can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

g Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

h Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft and book overdraft as they are considered an integral part of the Company's cash management.

j Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owner's of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

k Employee Share Based Compensation

Certain employees of the Company are covered under the stock option plans of the Holding Company. These Schemes are in the nature of equity settled and are assessed, managed / administered by the Holding Company. In case of equity settled awards, the fair value of awards at the grant date is amortised on a straight-line basis over the vesting period. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The Holding Company has created an Employee Benefit Trust for providing share-based payment to its employees.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

3 Material accounting policies (Continued)

i Financial instruments

i Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

The Company does not have financial assets measured at FVOCI.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

3 Material accounting policies (Continued)

i Financial instruments (Continued)

ii Classification and subsequent measurement (Continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

iii Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

iv Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

v Impairment

Financial assets (other than at fair value): The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 Financial Instrument requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

m Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) for the year ended March 31, 2024

3 Material accounting policies (Continued)

n Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i Right of Use assets

The Company's leased asset class consists of leases for office spaces and restaurants and includes leasehold land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a) the contract involves the use of an identified asset
- b) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and the Company has the right to direct the use of the asset.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

ii Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. Variable lease payments are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date in cases where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of certain office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases for which the Company is an intermediate lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has not transferred substantially all the risks and rewards relating to the right of use asset of the head lease to the sub-lessee where it is an intermediate lessor and hence all leases are operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

3 Material accounting policies (Continued)

n Leases (Continued)

Amendment to Ind-AS 116 Covid-19 related rent concessions

The ongoing COVID-19 pandemic led to the shutdown of malls, public places and bans on social gatherings. The COVID-19 outbreak severely impacted the quick service restaurants (QSR) sector resulting in disruption of operations. Pursuant to the pandemic, the Company renegotiated its leasing arrangements with lessors for a significant number of stores seeking relief in lease rentals for the ensuing period.

The Ministry of Corporate Affairs notified amendment to Ind AS 116 specifying the accounting treatment for Covid 19 related rent concessions. The amendment permits lessees, as a practical expedient, to not assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications and consequently allowing lessees to account for the impact of the rent concessions in the statement of profit and loss. The Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification for rent concessions which are granted due to COVID 19 pandemic.

o New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

i Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

ii Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

iii Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

p Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) as at March 31, 2024

(Rs. in millions)

4 Property, plant, equipments and other intangible assets

A Reconciliation of carrying amount

Particulars	Property, plant and equipments							Other Intangible assets		
	Freehold land	Building	Leasehold improvements	Restaurant equipments	Furniture & fixtures	Office equipments	Computers	Motor vehicles	Total	Total
Cost										
Balance as at April 1, 2022	94.38	72.64	3,877.88	3,579.47	623.63	22.06	25.88	28.50	8,324.44	762.86
Additions	52.84	-	1,230.22	1,043.87	185.21	32.39	12.15	32.78	2,589.46	72.79
Deletions	-	-	(322.68)	(89.38)	(51.03)	-	(4.14)	(14.82)	(482.05)	(5.06)
Balance as at March 31, 2023	147.22	72.64	4,785.42	4,533.96	757.81	54.45	33.89	46.46	10,431.85	830.59
Balance as at April 1, 2023	147.22	72.64	4,785.42	4,533.96	757.81	54.45	33.89	46.46	10,431.85	830.59
Additions	-	-	1,075.17	954.54	209.38	2.15	6.33	34.74	2,282.31	60.27
Deletions	-	-	(209.92)	(142.74)	(58.91)	(0.11)	(5.87)	(15.40)	(432.95)	(7.05)
Balance as at March 31, 2024	147.22	72.64	5,650.67	5,345.76	908.28	56.49	34.35	65.80	12,281.21	883.81
Accumulated Depreciation										
Balance as at April 1, 2022	-	24.17	1,155.27	1,814.83	264.83	13.32	19.16	10.76	3,302.34	346.15
Depreciation for the year (refer note 25)	-	5.98	337.29	433.66	70.11	5.47	3.97	10.65	867.13	72.95
Deletions	-	-	(194.75)	(68.79)	(46.48)	-	(4.14)	(14.82)	(328.98)	(2.97)
Balance as at March 31, 2023	-	30.15	1,297.81	2,179.70	288.46	18.79	18.99	6.59	3,840.49	416.13
Balance as at April 1, 2023	-	30.15	1,297.81	2,179.70	288.46	18.79	18.99	6.59	3,840.49	416.13
Depreciation for the year (refer note 25)	-	5.98	434.04	523.57	87.48	8.59	9.94	17.24	1,086.84	75.86
Deletions	-	-	(143.19)	(132.89)	(55.90)	(0.11)	(5.87)	(9.95)	(347.91)	(4.36)
Balance as at March 31, 2024	-	36.13	1,588.66	2,570.38	320.04	27.27	23.06	13.88	4,579.42	487.63
Carrying Amounts (Net)										
Balance as at March 31, 2023	147.22	42.49	3,487.61	2,354.26	469.35	35.66	14.90	39.87	6,591.36	414.46
Balance as at March 31, 2024	147.22	36.51	4,062.01	2,775.38	588.24	29.22	11.29	51.92	7,701.79	396.18

Note :

1 The Company has created a first part-passu charge on moveable property, plant and equipment (present and future) for availing loan facility with banks (refer note 17).



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

(Rs. in millions)

4 Property, plant, equipments and other intangible assets (Continued)

B Right of use assets

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (Rs. in million)	Held in the name of	Whether holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in name of Company
Right of use assets	Restaurants premises on lease	296.53	Landlord	No	From 2018 onwards	The Company is in process of duly registering the executed agreement for these 7 premises on lease.

C Capital work in progress

Capital work in progress mainly comprises of upcoming restaurants and restaurants under construction.

Particulars	As at March 31, 2024	As at March 31, 2023
Capital work in progress	446.96	566.81

Capital work-in-progress ageing schedule

	As at March 31, 2024	As at March 31, 2023
Projects in progress		
Less than 1 year	427.01	549.75
1-2 years	42.66	48.36
2-3 years	0.50	0.25
More than 3 years	11.97	3.63
Total (A)	482.14	601.99
Less: Impairment loss allowance (B)	(35.18)	(35.18)
Total (C = A-B)	446.96	566.81

Capital work-in-progress movement

	As at March 31, 2024	As at March 31, 2023
Opening balance	601.99	355.32
Add: Additions	2,162.46	2,836.13
Less: Capitalisation	(2,282.31)	(2,589.46)
Closing balance	482.14	601.99

Note:

- The Company has created a first pari-passu charge on moveable property (present and future) for availing loan facility with banks (refer note 17).
- For contractual commitments with respect to Capital work-in-progress, refer note 34.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) as at March 31, 2024

(Rs. in millions)

5 Investments

Non trade	Non-Current			Current		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
	No. of units	Amount	No. of units	Amount	No. of units	Amount
Investments in mutual funds (valued at FVTPL)						
(Quoted)						
Hill Fort Equity Fund - 01-Jun-2022 - A1	3,00,000	37.15	3,00,000	-	-	-
Hill Fort Equity Fund - 01-Jun-2022 - A2	4,50,000	54.95	4,50,000	-	-	-
ICICI Prudential Balanced Advantage Direct-Growth	-	-	-	6,24,774	-	-
HSBC Banking and PSU Debt-Growth	-	-	-	54,49,467	-	-
(Formerly known as L&T Banking and PSU Debt-Growth)	-	-	-	120.07	54,49,467	112.34
HDFC Medium Term Debt-Fund Direct-Growth	-	-	-	-	-	-
HSBC Corporate Bond-Growth	-	-	-	10,69,632	10,69,632	54.17
(Formerly known as L&T Triple Ace Bond-Growth)	-	-	-	22,73,395	22,73,395	139.91
HDFC Credit Risk Debt Reg-Growth	-	-	-	-	-	-
ICICI Pru Credit Risk-Growth	-	-	-	-	15,73,007	31.86
Bandhan Low Duration Reg-Growth	-	-	-	-	8,14,819	21.58
(Formerly known as IDFC Low Duration Reg Growth Fund)	-	-	-	15,96,416	15,96,416	52.47
HDFC Medium Term Debt Fund - Direct Growth	-	-	-	-	11,61,204	55.02
SBI Magnum Medium Duration Fund- Direct - Growth	-	-	-	7,08,471	7,08,471	32.52
HDFC Short Term Debt Fund - Direct - Growth	-	-	-	11,80,235	11,80,235	32.45
		92.10	72.40	499.72		532.32



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) as at March 31, 2024

(Rs. in millions)

5 Investments (Continued)

Non trade	As at March 31, 2024			Non-Current			Current		
	No. of units	Amount	As at March 31, 2023	No. of units	Amount	As at March 31, 2024	No. of units	Amount	As at March 31, 2023
Investments in bonds / NCD (valued at FVTPL)									
(Quoted)									
Piramal Capital & Housing Finance Limited 6.75 LOA 26 Sep 31	61,000	45.99	61,000		47.49	-	-	-	-
6.75% Piramal Capital 26-Sept-2031	62,900	47.42	-		-	-	-	-	-
PFC Ltd Series 198 6.98 Bd 20 April 23	-	-	50		53.28	-	-	-	-
9.15 ICICI Bank 20-Jun-2023	-	-	25		26.94	-	-	-	-
Mudhoo Fincorp Limited Series IX BR NCD 03 June 24	-	-	275		32.01	-	-	-	-
HDB Financial Services Ltd Series A/0(Zc)/186 Op 1 NCD 13 June 26	50	55.80	50		51.45	-	-	-	-
Hero Fincorp Ltd Series HFCLNCD058 NCD 13 Aug 24	-	-	50		50.89	50	55.29	-	-
Kotak Mahindra Investments Limited Series III NCD 19 May 26	750	81.70	750		75.81	-	-	-	-
India Infrastructure Trust	4,00,000	38.80	4,00,000		33.40	-	-	-	-
Embassy Office Parks Real Estate Inv Trust	29,300	10.83	29,300		9.15	-	-	-	-
Mindspace Buss Parks Real Estate Inv Trust	32,700	11.29	32,700		10.70	-	-	-	-
Manipal Healthcare Tr B Maturity Date 10-Apr-26	50	54.95	-		-	-	-	-	-
360 One Prime Limited 9.03 Ncd 28Jn26 Fvrs ILac (28-Jan-2026)	500	50.05	-		-	-	-	-	-
Performance Chemiserve Limited Sr 1 9.75 Ncd 06Ju26 Fvrs ILac (06-Jun-2026)	570	57.44	-		-	-	-	-	-
Powergrid Infrastructure Invit	-	-	4,96,800		60.87	-	-	-	-
Bank of Baroda Series XV 8.15 BD Perpetual	-	-	-		-	50	50.90	50	50.56
SBI-7.73%-Perpetual-AT1	40	40.41	-		-	-	-	40	40.48
Powergrid Infrastructure Investment Trust	-	-	-		-	-	-	1,76,900	21.67
		494.68			451.99		106.19		112.71
Investment in Preference shares (valued at FVTPL)									
(Unquoted)									
Ekam Ultra Farms Private Limited	2,74,836	53.61	11,074		4.41	-	-	-	-
Healthlicious Basil Footech Pvt Ltd	441	5.00	441		5.00	-	-	-	-
		58.61			9.41		-		-
Total		645.39			533.80		605.91		645.03
Aggregate amount of quoted investments and market value thereof		586.78			524.39		605.91		645.03
Aggregate amount of impairment in value of investments		-			-		-		-
Aggregate amount of unquoted investments		58.61			9.41		-		-



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

(Rs. in millions)

6 Loans

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)				
Loan to Related Party (refer note 32 and 38) (refer note iii to iv below)	-	-	195.99	221.08
Loan to others (refer note i to ii below)	2.96	4.78	2.74	76.42
Total	2.96	4.78	198.73	297.50

i) During the previous year, short term loan of Rs. 50 million was granted for a tenure of 11 months which was due to mature in the month of December 2023 to Art Rubber Industries Private Limited. The loan carries interest at the rate of 8.50% per annum. The loan was repaid during current year. Accordingly, as at March 31, 2024, the amount outstanding in respect of the loan granted is Rs. Nil (March 31, 2023: Rs 50 million).

ii) During the previous year, short term loan of Rs. 25 million was granted for a tenure of 60 days which was due to mature on 26 Feb 23 to Ekam Ultra Farms Private Limited. The loan carries interest at the rate of 14.00% per annum. The Company had granted an extension of this existing loan for a tenure of further 90 days and the revised maturity date of loan was May 27, 2023. The loan was repaid during current year before the maturity date. Accordingly, as at March 31, 2024, the amount outstanding in respect of the loan granted is Rs. Nil (March 31, 2023: Rs 25 million).

iii) During the current year, short term loan of Rs. 5.07 million (March 31, 2023: Rs 80.03 million) was granted to Westlife Foodworld Limited ("WFL"), which is repayable on demand. The loan carries interest at the rate of 8% per annum which is repayable on demand. WFL has repaid the entire amount of loan during the current year. Accordingly, as at March 31, 2024, the amount outstanding in respect of the loan granted is Rs. Nil (March 31, 2023: Rs 20.08 million including interest).

iv) During the current year, short term loan of Rs. 30 million (March 31, 2023: Rs 64 million) was granted to Westlife ESOS Trust, which is repayable on demand. The loan granted is an interest free loan since this trust is an extended arm of the Company and has been set up for the purpose of facilitating the Employee Stock Option Scheme ("ESOP") by the Company. The Company has not exercised its right to demand the loan during the year. As at March 31, 2024, the amount outstanding in respect of the loan granted is Rs. 195.99 million (March 31, 2023: Rs 201 million).

7 Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security deposits to lessors				
Unsecured, considered good	411.08	378.48	9.07	15.86
Credit impaired	6.80	7.00	-	-
Less: Impairment loss allowance	(6.80)	(7.00)	-	-
	411.08	378.48	9.07	15.86
(Unsecured, considered good)				
Security deposits to others	67.94	58.29	-	-
Bank deposits with remaining maturity of more than 12 months**	2.89	1.36	-	-
Leasehold improvements contributions receivable				
Unsecured, considered good	5.50	10.30	22.85	19.67
Credit impaired	-	-	3.00	5.00
Less: Impairment loss allowance	-	-	(3.00)	(5.00)
	5.50	10.30	22.85	19.67
Other receivables*				
Unsecured, considered good	-	-	100.84	25.85
Credit impaired	-	-	0.88	-
Less: Impairment loss allowance	-	-	(0.88)	-
	-	-	100.84	25.85
Total	487.41	448.43	132.76	61.38

*Other receivables includes Rs. 8.62 million (March 31, 2023: Rs 10.24 million) advance given to related party (refer note 32).

**Deposits are pledged as securities for borrowings taken from banks (refer note 17).



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) as at March 31, 2024

(Rs. in millions)

8 Other assets

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)				
Capital advances	0.98	22.63	-	-
Advances other than capital advances				
Prepaid expenses	94.66	67.28	112.52	88.45
Advance to employees	-	-	11.50	4.65
Advance to suppliers	-	-	23.41	37.71
Balances with government authorities	180.46	232.06	-	-
	<u>276.10</u>	<u>321.97</u>	<u>147.43</u>	<u>130.81</u>

9 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials		
Food items		
Paper Products	393.68	463.88
Toys & Premiums	128.89	143.07
Stores, spares & consumables (includes goods in transit Rs. Nil million (March 31, 2023: Rs. 6.60 million))	9.30	11.91
	100.52	95.41
Total	<u>632.39</u>	<u>714.27</u>

For inventories secured against borrowings, refer note 17



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

(Rs. in millions)

10 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	173.29	106.94
Credit impaired	-	-
Impairment loss allowance	-	-
Total	173.29	106.94

For Trade receivables secured against borrowings, refer note 17

Trade receivables ageing schedule: Outstanding for following periods from due date of payment

As at March 31, 2024	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	173.29	-	-	-	-	173.29
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
As at 31 March 2023						
i) Undisputed Trade receivables – considered good	106.94	-	-	-	-	106.94
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

(Rs. in millions)

11 Cash and bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
(a) Balances with banks:		
– On current accounts	85.68	42.79
(b) Cash on hand	52.70	33.60
	<u>138.38</u>	<u>76.39</u>
Other bank balances		
– Deposits with remaining maturity for less than 12 months*	0.05	201.57
Total	<u>138.43</u>	<u>277.96</u>

*Deposits are pledged as securities for borrowings taken from banks (refer note 17).

12 Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax including tax deducted at source (net of provision for tax of Rs. 480.87 million (March 31, 2023: Rs. 107.61 million)	155.79	141.55
	<u>155.79</u>	<u>141.55</u>



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

(Rs. in millions)

13 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised		
1,765,000 (March 31, 2023: 1,765,000) equity shares of Rs 1,000 each	1,765.00	1,765.00
	<u>1,765.00</u>	<u>1,765.00</u>
Issued, subscribed and fully paid-up		
873,814 (March 31, 2023: 873,814) equity shares of Rs. 1,000 each fully paid up	873.81	873.81
	<u>873.81</u>	<u>873.81</u>

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2024		As at March 31, 2023	
Equity shares of Rs. 1,000 each fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	8,73,814	873.81	8,73,814	873.81
Add : Issued during the year	-	-	-	-
Less: Adjustment pursuant to Capital reduction order (refer note vi below)	-	-	-	-
Outstanding at the end of the year	<u>8,73,814</u>	<u>873.81</u>	<u>8,73,814</u>	<u>873.81</u>

ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 1,000 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Shares held by the holding company

	As at March 31, 2024		As at March 31, 2023	
Equity shares of Rs. 1,000 each fully paid up	No. of shares	Amount	No. of shares	Amount
Westlife Foodworld Limitd (WFL) (Formerly known as Westlife Development Limited)	8,73,810	873.81	8,73,810	873.81
Total	<u>8,73,810</u>	<u>873.81</u>	<u>8,73,810</u>	<u>873.81</u>

iv) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2024		As at March 31, 2023	
Equity shares of Rs 1,000 each fully paid up	No. of shares	% Holding	No. of shares	% Holding
Westlife Foodworld Limitd - (Holding Company) (Formerly known as Westlife Development Limited)	8,73,810	99.99%	8,73,810	99.99%

v) Shares held by promoters at the end of the year

	As at March 31, 2024		As at March 31, 2023		% Change during the year
Promoter name	No. of shares	% Holding	No. of shares	% Holding	
Westlife Foodworld Limitd - (Holding Company) (Formerly known as Westlife Development Limited)	8,73,810	99.99%	8,73,810	99.99%	-
Amit Jatia*	1	0.00%	1	0.00%	-
Smita Jatia*	1	0.00%	1	0.00%	-
Horizon Imper Private Limited*	1	0.00%	1	0.00%	-
Subh Ashish Exim Private Limited*	1	0.00%	1	0.00%	-

* Nominee Shareholders on behalf of Westlife Foodworld Limitd (Formerly known as Westlife Development Limited).



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

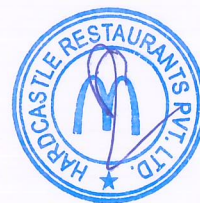
(Rs. in millions)

vi) Capital Reduction

During financial year ended March 31, 2022, pursuant to the board resolution dated August 13, 2021 and shareholder's resolution dated September 13, 2021 passed at the annual general meeting, the Company approved arrangement for writing off accumulated losses against securities premium account, proportionate reduction in the paid up share capital of the Company and subsequently, consolidating the face value of equity shares ("Capital Reduction") in accordance with Section 52 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal ("NCLT") (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013. The Hon'ble NCLT approved the said capital reduction arrangement vide its order dated March 3, 2022. Consequently, the Company filed a certified copy of Order with Registrar of Companies ('ROC') on March 31, 2022.

In accordance with the order passed for capital reduction arrangement, the Company reduced the paid-up share capital by Rs. 873.82 million by reducing face value of equity share from Rs. 1,000 to Rs. 500 per share and reduced securities premium account by Rs. 3,864.21 million and such cumulative reduction was effected by writing off the accumulated losses of Rs. 4,738.02 million. Subsequently, the Company consolidated every two equity shares of Rs. 500 each into one equity share of Rs. 1,000 each. Accordingly, the paid-up capital of the Company after such reduction and consolidation is Rs. 873.81 million divided into 873,814 equity shares of Rs.1,000 each fully paid-up.

- vii) As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.
- viii) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of 5 years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

(Rs. in millions)

14 Other financial liabilities

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Security deposits	1.74	2.01	-	-
Liability for capital expenditure	-	-	487.27	464.41
Interest accrued	-	-	5.42	4.80
Employee related liabilities (refer note 32)	-	-	408.17	492.89
Total	1.74	2.01	900.86	962.10

15 Provisions

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Provision for employee benefits (refer note 31)	-	7.76	92.64	95.85
Provision for income tax	-	-	6.44	26.75
Total	-	7.76	99.08	122.60

16 Deferred tax assets (net)

Deferred tax asset / (liabilities) are as follows :

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Deferred tax assets		
Employee benefits	53.46	49.32
Other expenses	45.50	39.99
ESOP amortisation at fair value	-	16.11
Lease liabilities	2,801.66	2,487.36
Excess of depreciation provided in the books over depreciation allowable under income tax laws	148.92	124.68
Security deposits	103.16	75.71
Fair value (gain) / loss	-	14.00
Other temporary differences	0.81	0.80
Total deferred tax assets	3,153.51	2,807.97
Deferred tax liabilities		
Right of use assets	(2,417.60)	(2,204.29)
Fair value (gain) / loss	(28.32)	-
Total deferred tax liabilities	(2,445.92)	(2,204.29)
Deferred tax assets (net)	707.59	603.68



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

(Rs. in millions)

17 Borrowings

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Secured		
Short-term loan from banks (refer note i to ix below)	2,310.00	2,070.00
Unsecured		
Short-term loan from others (refer note x to xii below)	108.43	-
Total	2,418.43	2,070.00

- i The Company has availed a loan facility of Rs. 950 million (March 31, 2023: Rs. 1,000 million) from HDFC Bank Limited. This facility is sanctioned for the purpose of financing working capital/business expansion. To avail this facility, the Company has created an exclusive charge on the credit card receivables to the extent of Rs. 200 million by way of hypothecation and for balance pari-passu charge on movable fixed assets. Interest charged at 7.37% p.a.- 8.30% p.a. (March 31, 2023: 5.00% p.a.- 8.11% p.a.) is payable monthly. The overdraft facility is repayable on demand and short term loan facility is repayable within 180 days with a cooling period of 2 days. As at March 31, 2024 the amount outstanding in respect of the short term loan is Rs. 400 million (March 31, 2023: Rs. 800 million) and amount outstanding in respect of the overdraft facility was Rs. Nil (March 31, 2023: Rs. Nil).
- ii The Company has availed a loan facility of Rs. 2,000 million (March 31, 2023: Rs. 2,000 million) from Australia and New Zealand Banking Group Limited (ANZ Bank) for the purpose of financing operating capital expenditure. Interest is charged at 7.58% p.a. to 9.05% p.a. (March 31, 2023: 5.85% p.a. to 8.00% p.a.). The loan is repayable within 180 days from the date of any drawdown. As at March 31, 2024 the amount outstanding in respect of the said facility is Rs. 640 million (March 31, 2023: Rs. Nil) and amount outstanding in respect of the overdraft facility was Rs. Nil (March 31, 2023: Rs. Nil). To avail these short term loan and overdraft facility, the Company has created a first pari passu charge on the movable assets.
- iii The Company has availed a loan facility of Rs. 600 million (March 31, 2023: Rs. 600 million) from Development Bank of Singapore India Limited for the purpose of working capital requirements. The Company has created a first pari-passu charge on all stock and book debts. Interest is charged at NIL (March 31, 2023: 5.11% p.a. to 6.20% p.a.). The loan is repayable on demand. As at March 31, 2024 the amount outstanding in respect of the said facility is Rs. Nil (March 31, 2023: Rs. Nil) and amount outstanding in respect of the overdraft facility was Rs. Nil (March 31, 2023: Rs. Nil).
- iv The Company has availed a loan facility of Rs. 750 million (March 31, 2023: Rs.750 million) with Kotak Mahindra Bank Ltd. Interest is charged at an interest rate of 7.75% p.a. to 8.00% p.a. (March 31, 2023: 5.00% p.a. to 7.75% p.a.). This facility is for financing the working capital requirement and is repayable on demand. As at March 31, 2024 the amount outstanding in respect of the said facility is Rs. 450 million (March 31, 2023: Rs. Nil). The Company has created a first pari passu charge on the movable assets to facilitate the short term loan and overdraft facility.
- v The Company has availed a loan facility of Rs.750 million (March 31, 2023: Rs. 750 Million) with ICICI Bank Ltd. Interest is charged at 7.79% p.a. to 9.00% p.a (March 31, 2023: 5.00% to 8.60% p.a). To avail this facility, the Company has created a first pari passu charge on all current assets and exclusive charge on debit/credit card receivables to the extent of Rs 100 million. The amount outstanding in respect of the short term loan facility as at March 31, 2024 is Rs. 200 million (March 31, 2023: Rs. 590 Million).
- vi The Company has availed a combined working capital facility of Rs.1000 million (March 31, 2023: Rs. 1000 Million) from IDFC First Bank Ltd. As at March 31, 2024 the amount outstanding in respect of the said facility is Nil (March 31, 2023: Nil). To avail this facility, the Company has created a first pari passu charge on the movable assets.
- vii The Company has availed a loan facility of Rs.750 million (March 31, 2023: Rs. 750 Million) with Axis Bank Ltd. Interest is charged at 7.65% p.a. to 8.40% p.a (March 31, 2023: 5.10% p.a. to 7.85% p.a). To avail this facility, the Company has created a first pari passu charge on movable Fixed Assets. The amount outstanding in respect of the short term loan facility as at March 31, 2024 is Rs. 620 million (March 31, 2023: Rs. 680 Million).
- viii There are no pending creation and satisfaction of charges with respect to the secured loans.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

as at March 31, 2024

(Rs. in millions)

17 Borrowings (Continued)

- ix The quarterly returns or statements filed by the Company with banks are in agreement with the books of account of the Company for the current and previous financial year.
- x During the current year, short term loan of Rs. 38.15 million (March 31, 2023: Rs Nil) was availed from Westlife Foodworld Limited, which is repayable on demand. The loan carries interest at the rate of 8% per annum which is repayable on demand. As at March 31, 2024, the amount outstanding in respect of the loan granted is Rs. 28.15 million (March 31, 2023: Nil).
- xi The Company has availed a purchase credit card facility of Rs. 250 million (March 31, 2023: Nil) with ICICI Bank Ltd. This facility is sanctioned for the purpose of financing working capital/business expansion. The amount outstanding in respect of the facility as at March 31, 2024 is Rs. 71.56 million (March 31, 2023: Nil).
- xii The Company has availed a purchase credit card facility of Rs.50 million (March 31, 2023: Nil) with HDFC Bank Ltd. This facility is sanctioned for the purpose of financing working capital/business expansion. The amount outstanding in respect of the facility as at March 31, 2024 is Rs. 8.72 million (March 31, 2023: Nil).

The Company has not defaulted in repayment of scheduled interest and principal repayments relating to borrowings.

18 Trade payables

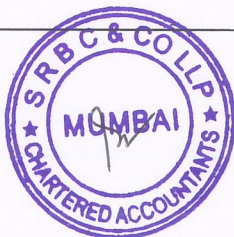
Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
- Total outstanding dues of micro enterprise and small enterprises (refer note 37)	31.80	52.34
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 32)	1,985.47	1,816.04
Total	2,017.27	1,868.38

Trade Payables ageing schedule: Outstanding for following period from due date of payment

	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024							
MSME	-	20.44	11.36	-	-	-	31.80
Others	1,064.53	666.76	251.11	1.08	0.45	1.54	1,985.47
	1,064.53	687.20	262.47	1.08	0.45	1.54	2,017.27
As at March 31, 2023							
MSME	4.71	1.88	45.21	0.20	0.03	0.31	52.34
Others	915.40	234.50	642.09	8.74	7.08	8.23	1,816.04
	920.11	236.38	687.30	8.94	7.11	8.54	1,868.38

19 Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	185.65	205.87
Other payables (refer note 32)	75.59	111.47
Payable towards Corporate Social Responsibility (refer note 26.2)	3.85	-
Deferred revenue liabilities (refer note 20)	47.50	-
Advance received from customers (refer note 20)	5.72	11.19
Total	318.31	328.53



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

20 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sales (refer note 20.1 below)	23,682.18	22,593.97
Other operating revenue		
a) Conducting fees	0.09	1.86
b) Franchising income	4.35	5.98
c) Scrap sales	74.56	63.86
d) Space rental & alliances income	5.36	5.90
e) Miscellaneous provisions written back	142.30	103.92
Total	23,908.84	22,775.49
20.1 Details of sales		
Food	16,333.40	16,318.13
Beverages, Desserts, Others	7,348.78	6,275.84
Total	23,682.18	22,593.97

a) For revenue from sale of products, the reconciliation of contract price to revenue from sale of products is as below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract price	23,729.68	22,593.97
Adjustments:		
-Trade discount, volume rebates etc.	-	-
-Loyalty point	47.50	-
	23,682.18	22,593.97

b) Contract Liabilities: The Company has recognised the following revenue - related contract liabilities:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Customer Loyalty Program Points	47.50	-
Advances received from customer (Gift cards)	5.72	11.19
	53.22	11.19

21 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income at amortised cost		
- Bank deposits	8.76	5.45
- Interest on investments	28.39	31.30
- Others (refer note 32)	28.31	34.71
Profit on sale of investments	-	78.61
Gain on investments carried at fair value through statement of profit and loss	86.67	-
Gain on lease modification, concession and termination (net) (refer note 41)	-	39.65
Miscellaneous income	30.70	15.31
Total	182.83	205.03



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

22 Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	618.86	472.81
Add: Purchases during the year	7,019.94	7,006.04
	7,638.80	7,478.85
Less: Inventory at end of the year	(531.87)	(618.86)
Total	7,106.93	6,859.99
22.1 - Details of cost of materials consumed		
Food	6,094.48	5,865.14
Paper	989.83	970.59
Toys & Premiums	22.62	24.26
Total	7,106.93	6,859.99

23 Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	2,819.27	2,416.51
Contribution to provident and other funds (refer note 31(a))	257.69	234.74
Employee stock compensation expense (refer note 38)	72.18	71.17
Gratuity (refer note 31(b))	28.59	28.48
Staff welfare expenses	107.63	354.88
Total	3,285.36	3,105.78

24 Finance cost

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on		
- Borrowings at amortised cost	176.53	129.16
- Leases liabilities (refer note 41)	900.91	783.56
- Bank overdraft at amortised cost	12.07	4.56
- Others	0.47	4.00
Bank charges	8.70	6.19
Total	1,098.68	927.47

25 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	1,086.84	867.13
Depreciation on Right to use assets (refer note 41)	659.54	581.78
Amortisation of intangible assets	75.86	72.95
Total	1,822.24	1,521.86



Hardcastle Restaurants Private Limited

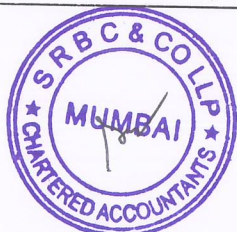
Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

26 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Electricity utilities	1,313.06	1,119.09
Gas utilities	200.68	232.16
Other utilities	69.28	65.70
Conducting charges	1,033.82	994.68
Commission on aggregators charges	1,832.42	1,673.69
Marketing and promotions	1,323.67	1,035.73
Royalty fee	1,164.17	1,038.45
Maintenance & repairs - restaurant equipments	222.97	279.42
Maintenance & repairs - others	424.72	369.58
Operating supplies at stores	261.58	271.23
Travelling and conveyance	135.75	114.53
Legal and professional fees (refer note 26.1 below)	206.63	204.42
Rent	56.37	103.44
Provision for doubtful other receivables	0.88	-
Processing charges	845.55	829.43
Loss on investments carried at fair value through statement of profit and loss	-	56.41
Loss on sale of investments	14.38	-
Loss on sale / write off of property, plant and equipment	63.55	80.58
Training and development expenses	24.81	10.99
Communication costs	51.48	52.47
Rates & taxes	38.70	35.91
Insurance	42.19	29.88
Exchange differences (net)	6.60	4.93
CSR expenses (refer note 26.2 below)	3.85	-
Miscellaneous expenses	473.58	460.79
Total	9,810.70	9,063.51
Note 26.1 :		
Payment to auditors including goods and services tax (included in Legal and professional)		
As auditor :		
Audit fees	6.84	6.14
In other capacity		
Certification matters	0.11	-
Reimbursement of expenses	0.42	0.49
Total	7.37	6.63
Note 26.2 :		
Details of CSR expenditure:		
a) Gross amount required to be spent by the Company during the year	3.85	-
b) Amount approved by the Board to be spent during the year	3.85	-
c) Amount spent during the year ending on 31 March 2024:		
i) Construction/acquisition of any asset	In cash	Yet to be paid in cash
ii) On purposes other than (i) above	-	-
	-	3.85
		3.85
d) Amount spent during the year ending on 31 March 2023:		
i) Construction/acquisition of any asset	In cash	Yet to be paid in cash
ii) On purposes other than (i) above	-	-
	-	-
		-
e) Details of related party transactions		
		-
f) At the end of the financial year 31st March 2024, in aggregate Rs. 3.85 million remained unspent in respect of an on-going project which was subsequently transferred to a separate account pursuant to section 135(6) of the Act.		



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

27 Tax expense

A Amount recognised in statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Current tax		
Current year	373.26	465.60
Prior years	6.44	-
(b) Deferred tax charge / (credit)		
Attributable to:		
Employee benefits	(1.73)	1.19
Other expenses	(5.52)	1.22
Lease liabilities	(314.30)	(338.95)
Right of use assets	213.31	261.70
Security deposits	(27.45)	(17.02)
ESOP amortisation at fair value	16.10	(9.86)
Excess of depreciation provided in the books over depreciation allowable under income tax laws	(24.24)	(27.38)
Accumulated losses and unabsorbed depreciation	-	33.45
Fair value gain / (loss)	42.32	8.78
Other temporary differences	(27.50)	-
Net deferred tax credit	(129.01)	(86.87)
Total tax (credit)	250.69	378.73

B Amount recognised in other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax related to items recognised in Other Comprehensive Income during the year		
Re-measurements of defined benefit plan	(2.41)	3.22
Total income tax recognised in other comprehensive income	(2.41)	3.22

C Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	967.76	1,501.91
Applicable income tax rate (refer note below)	25.17%	25.17%
Expected income tax expense (a)	243.59	378.03
Effects of:		
Non-deductible expenses		
Others	0.66	0.70
Adjustment related to tax of prior years	6.44	-
Sub-total (b)	7.10	0.70
Total charge as per statement of profit and loss (a) + (b)	250.69	378.73

Note:

During the year ended March 31, 2020, the Company had elected to exercise the option to pay income tax at a concessional rate, as permitted under section 115BAA of the Income tax act, 1961.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

D Movement in temporary differences

Particulars	Balance as at April 01, 2023	Credit/(Charge) in profit or loss during 2023-24*	Recognised in OCI during 2023-24	Balance as at March 31, 2024
Deferred tax assets				
Employee benefits	49.32	1.73	2.41	53.46
Other expenses	39.98	5.52	-	45.50
ESOP amortisation at fair value	16.10	(16.10)	-	-
Lease liabilities	2,487.36	314.30	-	2,801.66
Security deposits	75.72	27.45	-	103.17
Excess of depreciation provided in the books over depreciation allowable under income tax laws	124.68	24.24	-	148.92
Other temporary differences	0.81	-	-	0.81
Total deferred tax assets	2,793.97	357.14	2.41	3,153.52
Deferred tax liabilities				
Right of use assets	(2,204.29)	(213.31)	-	(2,417.60)
Fair value (gain) / loss	14.00	(42.33)	-	(28.33)
Total deferred tax liabilities	(2,190.29)	(255.64)	-	(2,445.93)
Deferred tax assets (net)	603.68	101.50	2.41	707.59

* includes deferred tax credit of current year Rs 129.01 million and deferred tax charge of Rs 27.50 million relating to earlier years.

Particulars	Balance as at April 01, 2022	Credit/(Charge) in profit or loss during 2022-23	Recognised in OCI during 2022-23	Balance as at March 31, 2023
Deferred tax assets				
Employee benefits	53.73	(1.19)	(3.22)	49.32
Other expenses	41.20	(1.22)	-	39.98
ESOP amortisation at fair value	6.24	9.86	-	16.10
Lease liabilities	2,148.41	338.95	-	2,487.36
Security deposits	58.69	17.03	-	75.72
Excess of depreciation provided in the books over depreciation allowable under income tax laws	97.30	27.38	-	124.68
Accumulated losses and unabsorbed depreciation	33.45	(33.45)	-	-
Fair value (gain) / loss	22.78	(8.78)	-	14.00
Other temporary differences	0.81	-	-	0.81
Total deferred tax assets	2,462.61	348.57	(3.22)	2,807.97
Deferred tax liabilities				
Right of use assets	(1,942.59)	(261.70)	-	(2,204.29)
Total deferred tax liabilities	(1,942.59)	(261.70)	-	(2,204.29)
Deferred tax assets (net)	520.02	86.87	(3.22)	603.68



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

28 Fair value measurement

a Financial instruments by category

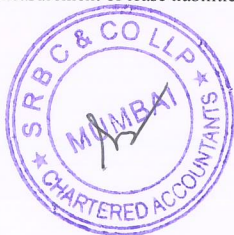
The carrying value and fair value of financial instruments by categories as of March 31, 2024 were as follows:

Particulars	Amortised cost	Fair Value Through Profit or Loss	Total carrying value
Assets:			
Cash and cash equivalents	138.38	-	138.38
Bank balances other than above	0.05	-	0.05
Investments	-	1,251.30	1,251.30
Trade receivables	173.29	-	173.29
Loans	201.69	-	201.69
Other financial assets	620.17	-	620.17
Total	1,133.58	1,251.30	2,384.88
Liabilities:			
Borrowings	2,418.43	-	2,418.43
Lease Liabilities	11,234.97	-	11,234.97
Trade payables	2,017.27	-	2,017.27
Other financial liabilities	902.60	-	902.60
Total	16,573.27	-	16,573.27

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows:

Particulars	Amortised cost	Fair Value Through Profit or Loss	Total carrying value
Assets:			
Cash and cash equivalents	76.39	-	76.39
Bank balances other than above	201.57	-	201.57
Investments	-	1,178.83	1,178.83
Trade receivables	106.94	-	106.94
Loans	302.28	-	302.28
Other financial assets	509.81	-	509.81
Total	1,196.99	1,178.83	2,375.82
Liabilities:			
Borrowings	2,070.00	-	2,070.00
Lease Liabilities	9,960.03	-	9,960.03
Trade payables	1,868.38	-	1,868.38
Other financial liabilities	964.11	-	964.11
Total	14,862.52	-	14,862.52

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2024 and March 31, 2023, approximate the fair value due to their nature. Carrying amounts of bank deposits, earmarked balances with banks, loans, other financial assets, borrowings and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

28 Fair value measurement (Continued)

b Fair value hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are

a) recognised and measured at fair value.

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level is mentioned below :

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

Particulars	As at March 31, 2024	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual funds	591.82	591.82	-	-
Investments in bonds / NCD	600.87	600.87	-	-
Investment in preference shares	58.61	-	-	58.61

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual funds	604.72	604.72	-	-
Investments in bonds / NDC	564.70	564.70	-	-
Investment in preference shares	9.41	-	-	9.41

Reconciliation of level 3 fair value measurement of financial assets is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	9.41	9.41
Additions during the year	49.20	-
Impairment in value of investments	-	-
Balance at the end of the year	58.61	9.41



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 1 fair values, for financial instruments measured at fair value in the statement of financial position.

Financial instruments measured at fair value

Type	Valuation technique
Investment in mutual funds and corporate bonds	The fair values of investments in units of mutual fund and corporate bonds are based on the Net Asset Value [NAV] as stated by their issuer in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and corporate bonds and the price at which issuers will redeem such units from the investors.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2024 and March 31, 2023.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

29 Financial risk management

Financial risk

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Company's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company manages the risk through the finance department that ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

A Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments the Company aims to minimize its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the company.

The Company has trade receivables amounting to Rs. 173.29 millions as at March 31, 2024 (March 31, 2023 - Rs. 106.94 millions). There are no significant amounts due by more than 180 days and not provided for. Management believes that these are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The Company also has an exposure in respect of other financial assets, viz; cash and cash equivalents, fixed deposits with banks, loans, security deposits and others.

Credit risk on cash and cash equivalents (including bank balances, fixed deposits and margin money with banks) is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Security deposits are interest free deposits given by the Company primarily for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount.

None of the other financial instruments of the Company result in material concentration of credit risk.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

29 Financial risk management (Continued)

A Credit risk (Continued)

	Amount
As at March 31, 2024	829.65
As at March 31, 2023	822.73

(Refer note below)

Loans, security deposits, leasehold improvements contributions receivable and other receivables:

Expected credit loss for loans, security deposits, leasehold improvements contributions receivable and other receivable

Particulars		Year Ended	Asset Company	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-03-2024	Loans	201.69	-	-	201.69
			Security Deposits	494.89	1.37%	6.80	488.09
			Leasehold improvements contributions receivable	31.35	9.57%	3.00	28.35
			Other receivable	101.72	0.87%	0.88	100.84
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-03-2023	Loans	302.28	-	-	302.28
			Security Deposits	459.63	1.52%	7.00	452.63
			Leasehold improvements contributions receivable	34.97	14.30%	5.00	29.97
			Other receivable	25.85	-	-	25.85

The movement in the allowance for impairment in respect of trade receivables is as follows:

	March 31, 2024	March 31, 2023
Balance as at April 1	-	0.54
Loss allowance created	-	-
Loss allowance adjusted	-	(0.54)
Balance as at March 31	-	-



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

29 Financial risk management (Continued)

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's corporate treasury department is responsible for liquidity and funding. In addition, processes and policies related to such risks are overseen by senior management.

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is able to maintain the liquidity through sales realised across all the restaurants and use of bank overdrafts and bank loans.

Maturity patterns of financial liabilities:

As at 31 March 2024	Carrying Amount	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Borrowings	2,418.43	2,418.43	-	-	-	2,418.43
Trade payables	2,017.27	2,017.27	-	-	-	2,017.27
Lease liabilities (refer note 41(iv))	11,234.97	1,213.07	1,239.81	1,249.36	19,363.28	23,065.52
Other financial liabilities	902.60	900.86	1.74	-	-	902.60
Total	16,573.27	6,549.63	1,241.55	1,249.36	19,363.28	28,403.82

As at 31 March 2023	Carrying Amount	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Borrowings	2,070.00	2,070.00	-	-	-	2,070.00
Trade payables	1,868.38	1,868.38	-	-	-	1,868.38
Lease liabilities (refer note 41(iv))	9,960.03	1,062.19	1,093.79	1,114.98	16,668.72	19,939.67
Other financial liabilities	964.11	962.10	2.01	-	-	964.11
Total	14,862.52	5,962.67	1,095.80	1,114.98	16,668.72	24,842.16

C Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

- i) Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

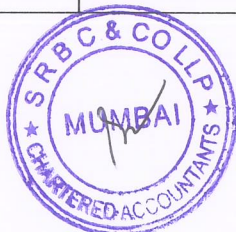
(a) The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	31-Mar-24			31-Mar-23		
		Total Exposure	Hedged Exposure	Net Foreign Currency Exposure	Total Exposure	Hedged Exposure	Net Foreign Currency Exposure
Monetary Assests	USD	-	-	-	-	-	-
Monetary Liabilities (Trade Payables)	USD*	0.92	-	0.92	0.22	-	0.22

* equivalent INR Rs 76.34 million (March 31, 2023: Rs 17.67 million)

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Year	Change in USD Rate	Effect on profit before tax and equity
31st March, 2024	5%	3.84
	-5%	(3.84)
31st March, 2023	5%	0.90
	-5%	(0.90)



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

29 Financial risk management (Continued)

C Market risk (Continued)

- ii) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from bank borrowings and overdrafts with variable rates and also interest on deposits with banks.

The sensitivity analyses below have been determined based on exposure to interest rate with floating rates. The analysis is prepared assuming the amount of borrowings and deposits with banks that are outstanding at the end of the reporting period, was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings and deposits with banks affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate are as follows:

Particulars	Effect on Profit before tax	
	Year ended March 31, 2024	Year ended March 31, 2023
Increase / decrease in		
150 basis points	35.07	31.05

- iii) Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's investment in mutual funds and corporate bonds is exposed to pricing risk. Other financial instruments held by the company does not possess any risk associated with trading. An increase of 5 percent in Net Assets Value (NAV) of mutual funds and corporate bonds would increase the profit before tax by approximately Rs. 59.63 million (March 31, 2023 - Rs. 58.47 million). A similar percentage decrease would have resulted equivalent opposite impact.

30 Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total interest bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity. The Company's debt to equity ratio as at March 31, 2024 and March 31, 2023 was as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Total borrowings	2,418.43	2,070.00
Less : Cash and cash equivalents	138.38	76.39
Net debt	2,280.05	1,993.61
Equity	5,464.29	5,296.94
Debt to equity ratio	0.42	0.38

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

31 Disclosure under Indian Accounting Standard 19 (Ind AS 19) on employee benefits:

a) Defined contribution plan:

Amount recognised and included in note 23 "Contribution to provident and other funds" represents:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident fund	211.98	191.66
Employees State Insurance Scheme (ESIC)	45.38	42.09
Labour welfare fund	0.33	0.99
Total	257.69	234.74

b) Defined benefit plan:

The Company sponsors the Gratuity plan, which is governed by the Payment of Gratuity Act, 1972 and makes annual contribution to trust controlled by the Company and Holding Company, who in turn, invests in the Employees Group Gratuity Scheme of eligible funds for qualifying employees. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to a maximum of Rs. 2 million.

- (i) Gratuity: The Company has charged the gratuity expense to statement of profit and loss based on the actuarial valuation of gratuity liability at the end of the year. The assumptions considered in the projected unit credit method used to compute the gratuity liability are as under:

Assumptions	As at March 31, 2024	As at March 31, 2023
Expected rate of return on plan assets	7.16%	7.29%
Discount rate	7.16%	7.29%
Salary escalation	6.50%	6.50%
Attrition rate :		
Crew	30.00%	30.00%
Others	12.00%	12.00%
Average expected future service	3 years	3 years
Mortality Rate during employment as per Indian Assured Lives Mortality	2012-14 (Urban)	2012-14 (Urban)
Retirement age	58 years	58 years

(ii) Table showing change in present value of Projected Benefit Obligation:

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of projected benefit obligation at the beginning of the year	138.17	143.97
Interest cost	10.07	7.96
Current service cost	21.04	21.08
Past service cost	-	-
Benefits paid directly by employer	-	-
Benefits paid from fund	(28.27)	(22.09)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.95	(12.80)
Actuarial losses on obligations - due to experience	15.02	0.05
Present value of projected benefit obligation at the end of the year	156.98	138.17

(iii) Tables of fair value of plan assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	34.56	10.36
Interest income	2.52	0.57
Contributions by employer	49.14	45.73
Benefits paid	(28.27)	(22.09)
Expected return on plan assets, excluding interest income	6.39	(0.01)
Fair value of plan assets at the end of the year	64.34	34.56



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

31 Disclosure under Indian Accounting Standard 19 (Ind AS 19) on employee benefits (Continued)

b) Defined benefit plan: (Continued)

(iv) Amount recognised in the balance sheet

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of benefit obligation at the end of the year	(156.98)	(138.17)
Fair value of plan assets at the end of the year	64.34	34.56
Funded status (surplus/(deficit))	(92.64)	(103.61)
Net (liability) / asset disclosed in the balance sheet	(92.64)	(103.61)

(v) Net interest cost for the year

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of projected benefit obligation at the beginning of the year	138.17	143.97
Fair value of plan assets at the beginning of the year	(34.56)	(10.36)
Net liability/ (assets) at the beginning of the year	103.61	133.61
Interest cost	10.07	7.96
Interest income	(2.52)	(0.57)
Net interest cost for current year	7.55	7.39

(vi) Expenses recognised in the statement of profit & loss for the year

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	21.04	21.08
Net interest cost	7.55	7.39
Past service cost	-	-
Expenses recognised in the statement of profit & loss	28.59	28.48

(vii) Expenses recognised in the other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gain) / loss on obligation for the year	15.97	(12.75)
Return on plan assets, excluding interest income	(6.39)	0.01
Net (income)/expense for the year recognized in OCI	9.58	(12.74)

(viii) Balance Sheet reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Opening net liability	103.61	133.61
Expenses recognized in statement of profit or loss	28.59	28.48
Expenses recognized in OCI	9.58	(12.74)
Benefits paid directly by employer	-	-
Employers contribution	(49.14)	(45.74)
Amount recognised in the balance sheet	92.64	103.61
Current Liability	92.64	95.85
Non Current Liability	-	7.76

(ix) Category of assets

Particulars	As at March 31, 2024	As at March 31, 2023
Cash And Cash Equivalents with the Trust	3.70	5.00
Insurer managed funds	60.64	29.56



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

31 Disclosure under Indian Accounting Standard 19 (Ind AS 19) on employee benefits (Continued)

b) Defined benefit plan: (Continued)

(x) Other details

Particulars	As at March 31, 2024	As at March 31, 2023
Expected contribution in the next year	99.65	95.86
Weighted average duration of the projected benefit obligation	6 years	6 years

(xi) Maturity analysis of the benefits payments - from the fund

Particulars	As at March 31, 2024	As at March 31, 2023
Projected benefits payable in future years from the date of reporting		
1st following year	25.99	21.34
2nd following year	20.81	19.13
3rd following year	19.56	18.91
4th following year	21.72	15.73
5th following year	18.90	17.87
Sum of years 6 to 10	60.01	53.24
Sum of years 11 and above	74.41	70.25

(xii) Sensitivity analysis

Particulars	As at March 31, 2024	As at March 31, 2023
Projected benefit obligation on current assumptions	156.98	138.17
Delta effect of +1% change in the rate of discounting	(6.96)	(6.23)
Delta effect of -1% change in the rate of discounting	7.75	6.95
Delta effect of +1% change in the rate of salary increase	7.73	6.94
Delta effect of -1% change in the rate of salary increase	(7.06)	(6.33)
Delta effect of +1% change in the rate of employee turnover	(0.49)	(0.26)
Delta effect of -1% change in the rate of employee turnover	0.48	0.24

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected unit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(xiii) Risk exposure

These defined benefit plans typically expose the Company to actuarial risks as under:

a) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

b) Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

c) Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

d) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.



Harcastle Restaurants Private Limited

Notes to the financial statements (Continued)
for the year ended March 31, 2024

(Rs. in millions)

32 Related party disclosures

In compliance with Indian Accounting Standard 24 - "Related Party Disclosures", the required disclosures are given below:

Related party and their relationships

(A) Related party where control exists

Holding Company	Westlife Foodworld Limited
Holding Company Controlled Trust	Westlife ESOS Trust (the 'Trust')

(B) Others - With whom transactions have been taken place during the year:

- 1) Key Management Personnel
 - Mr. B.L. Jatia, Director (resigned with effect from January 31, 2023)
 - Mr. Amit Jatia, Chairman
 - Mrs. Smita Jatia, Vice-chairman
 - Mr. Akshay Jatia, Director
 - Mr. Sanjay Sohi, Whole Time Director
 - Mr. Saurabh Kalra, Managing Director (with effect from March 20, 2023)
 - Mr. Shaurabh Bhudolia, (with effect from January 18, 2023)
 - Mrs. Namrata Mathur, Director (resigned with effect from November 25, 2022)
 - Mrs. Radha Jani, Company Secretary
- 2) Relatives of key management personnel
 - Mr. Ayush Jatia, grandson of Mr. B.L. Jatia
 - Mrs. Diya Ayush Jatia, wife of Mr. Ayush Jatia,
 - Mrs. Mehak Akshay Jatia, wife of Mr. Akshay Jatia,
- 3) Non Executive Directors
 - Mr. Nitin Mhatre
 - Mr. Tarun Kataria
 - Ms. Deepa Bhajekar
- 4) Enterprises over which Key Management Personnel or their relatives are able to exercise significant influence
 - Ronald McDonald House Charities Foundation India (RMHC India)
 - West Pioneer Properties (India) Pvt Ltd
 - Subh Ashish Exim Private Limited
 - Horizon Impex Private Limited
 - Admas Industries Private Limited
 - Harcastle Restaurants Private Limited- Gratuity Fund



Notes to the financial statements (Continued)
for the year ended March 31, 2024

(Rs. in millions)

32 Related party disclosures(Continued)

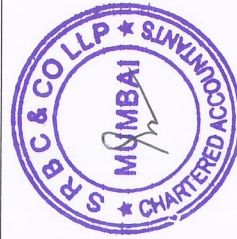
Related party transactions

(a) Transactions and balances with holding company and with enterprises over which key management personnel or their relatives is/are able to exercise significant influence

Particulars	Westlife Foodworld Limited	Westlife Trust (the "Trust")	Subh Ashish Exim Pvt Ltd	Horizon Impex Pvt Ltd	Admas Industries Private Limited	West Pioneer Properties (India) Pvt Ltd	Harcastle Restaurants Private Limited-Gratuity Fund (RMHC India)	Ronald McDonald House Charities Foundation India (RMHC India)
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Rent expense	-	-	-	-	-	12.70	12.60	-
Payment to Gratuity Trust	-	-	-	-	-	-	-	-
Common Area Maintenance Charges	-	-	-	-	-	2.57	3.00	45.73
Reimbursement of expenses	-	-	-	-	-	0.63	-	-
Others	-	-	-	3.40	1.88	3.08	2.81	1.62
Interest on Loan given to Reimbursement of Expense	0.78	1.65	-	-	-	-	-	0.91
Loan given	5.07	57.13	30.00	64.00	-	-	-	-
Interest on Loan taken from	1.46	-	-	-	-	-	-	-
Loan taken from	38.15	-	-	-	-	-	-	-
Loan repaid to	10.01	-	-	-	-	-	-	-
Dividend paid to	616.04	-	-	-	-	-	-	-
Capital Contribution for Share Based Payments from	73.50	-	-	-	-	-	-	-
Repayment / adjustment of loan	-	35.01	-	-	-	-	-	-
Loan recovered	23.67	56.03	-	-	-	-	-	-
Loan given for existing ESOS scheme	-	22.90	-	-	-	-	-	-
Outstanding balance included in loans and other assets	-	20.08	195.99	201.00	-	-	-	8.62
Outstanding balance included in borrowings	28.15	-	-	-	-	-	-	-
Outstanding balance included in other financial liability	1.46	-	-	-	-	-	-	-
Outstanding balance included in other receivable	-	-	-	-	-	0.61	-	-
Outstanding balance included in trade payables	-	-	-	0.26	0.23	0.58	0.69	-

(b) Transactions with key management personnel

Particulars	Amit Jadia	Snita Jadia	Alshay Jadia	Sunjay Soni	Namrata Mathur	Surabh Kadra	Surabh Bhudolia	Radha Jain
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Short-term employee benefits	151.20	182.45	147.00	83.06	46.90	44.65	18.49	3.24
Post-employment benefits*	0.75	0.75	0.75	0.75	0.75	0.75	0.73	0.15
Total compensation paid to key management personnel	151.95	183.20	147.75	83.81	47.65	45.40	19.23	3.39
Payable	12.66	42.53	12.31	4.50	3.97	2.35	1.31	1.46
				1.11	1.22	-	0.68	0.17
								0.23



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)
for the year ended March 31, 2024

(Rs. in millions)

32 Related party disclosure(Continued)

Related party transactions (Continued)

(c) Transactions with Non Executive Directors

Particulars	Nitin Mhatre		Tarun Kataria		Deepa Bhajekar	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Director's sitting fees	0.22	0.15	0.20	0.15	0.14	0.07

Terms and conditions

All transactions with these related parties are on arm's length basis and the resulting outstanding balances are to be settled in cash within the credit period allowed as per the policy. None of the balances are secured.

* The post employment benefits include Provident Fund. Remuneration to key managerial personnel / relatives of key management personnel does not include provisions made for gratuity and ESOP as they are determined for the company as a whole.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

33 Contingent liabilities not provided for in the accounts:

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts		
Sales tax/ VAT, Service Tax, Excise and ESIC related matters (refer note i, ii, iii, iv, v, vi, vii & viii)	149.54	168.13
Goods and Services tax related matter (refer note ix, x, xi & xii)	96.04	95.14
Income tax related matters (refer note xiii)	425.49	425.49
	671.07	688.76

Sales tax / VAT related matters

- i The Company had preferred an appeal before the Maharashtra Sales Tax Tribunal against a demand of Rs 2.41 million (Previous Year: Rs. 2.41 million) against the appeal order passed by the Joint Commissioner of Sales Tax (Appeal) II Mumbai on account of disallowance of resale of toys and cheese and taxability of Birthday Party Income for the year 2003-04. The Maharashtra Sales Tax Tribunal has partly allowed the appeal in case of Birthday party income and dismissed the claim of resale sale. The Company has filed Rectification Application before the Maharashtra Sales Tax Tribunal, Mumbai since apparent errors were made in the judgment. A reference application is also filed before Tribunal in addition to rectification application. The company has received an order of settlement under sub-section (1) of Section 13 of the Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2023 in October 2023 directing the Company to pay Rs. 0.34 Million in addition to advance payment of Rs. 0.70 Million. Accordingly, the company has made the payment and the case stands settled.

Secondly, the Company had preferred an appeal before Joint Commissioner of Sales Tax (Appeal) II Mumbai against demand of Rs. 1.64 million (Previous Year Rs. 1.64 million) as per order passed by assessing officer on account of disallowance of resale of toys and cheese and taxability of Birthday Party Income for the year 2004-05. The appeal was pending before the Joint Commissioner of Sales Tax. The Company has received an order of settlement under sub-section (1) of Section 13 of the Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2023 in August 2023 directing the Company to pay Rs. 0.17 Million in addition to advance payment of Rs. 0.83 Million. Accordingly, the Company has made the payment and the case stands settled.

- ii During the financial year 2013-14, the Company had received demand notices aggregating to Rs. 97.39 million for the years 2008-09 to 2012-13 issued by the Assistant Commissioner of Commercial Taxes, Tamil Nadu towards Tamil Nadu Value Added Tax. The Company had filed an appeal before the Appellate Deputy Commissioner against the aforesaid demand and had paid Rs. 97.39 million under protest. During the earlier years, the Appellate Deputy Commissioner has dismissed the appeal filed by the Company and the Company had filed an appeal before Tribunal against the order of Appellate Deputy Commissioner which is pending for hearing, the Company has deposited Rs. 97.39 Million under protest. Based on the advice of external counsel, the Company believes it has good ground for the appeal to be decided in its favour. Accordingly, no provision is considered necessary in this matter.
- iii The Company had received demand of Rs 44.26 million in September 2006 on the ground that operations conducted in the restaurant premises lead to manufacturing of goods. The Company has paid Rs. 1 Million advance under protest. vide order dated 20 July 2017, the Custom, Excise and Service Tax appellate Tribunal (Appellate Tribunal) has remanded the appeal for fresh adjudication with the departmental authorities, which is pending as of date. The Company has a very good case for subsequent period. On identical facts and issue, the Appellate Tribunal has passed two orders on merits in favour of the Company.
- iv The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

33 Contingent Liabilities not provided for in the accounts: (Continued)

- v During the Financial Year 2022-23, the Company had received show cause cum demand notice aggregating Rs.20.13 million under Excise Audit 2000 issued by Additional Commissioner. Out of which Company has already paid Rs.6.78 million including interest of Rs.3.51 million towards ineligible input tax credit and Interest payment made to supplier beyond 90 days. The Company had filed reply before The Additional Commissioner for balance amount of Rs.16.86 million. Various points had been raised like Non-payment of service tax on reconciliation of service tax return with financials, Availment of CENVAT credit on invoices issued prior to 1 year, Ineligible CENVAT credit, Interest on payment made to supplier beyond 90 days, Non-payment of service tax on expenses reconciliation and Wrong availment of CENVAT credit. The Company had provided detailed submission, reconciliation and made the payment wherever required. Additional commissioner CGST & Cess passed an order dated 01 May 2023, allowed input tax credit of Rs. 1.38 million and appropriated 0.80 million against demand. Upon receipt of adjudication order, revised demand now stand at Rs. 17.95 million and accordingly filed an appeal before commissioner of CGST and central excise (Appeal -II). Now commissioner of CGST and central excise (Appeals II) passed an order dated 25 January 2024 stating that appeal is allowed by way of remand back to adjudicating authority. The Company believes and based on the advice of Consultant, has a very good case on both law and facts for reconciliation, Non-payment of service tax on expenses reconciliation and ineligible CENVAT credit. Accordingly, no provision is considered necessary in this matter.
- vi During the Financial Year 2013-14, the Company had received demand notice aggregating Rs. 1.0 million under Kerala Value Added Tax Act 2003 issued by Commissioner due to difference in turnover between VAT audit report and return. The tax has already been paid on turnover shown in VAT audit report. The Company had filed appeal before Commissioner. The Company has received order during the current year and paid demand of Rs. 0.09 million and the case stands settled.
- vii During the Financial Year 2017-18, the Company had received demand notice aggregating Rs. 1.30 million under Maharashtra Value Added Tax Act 2002 issued by the Deputy Commissioner due to mismatch of J1 and J2 Credit and disallowance of credit on fuel and gas. The Company had filed an appeal before the Joint Commissioner of State Tax. The Company have received an order of settlement under sub-section (1) of Section 13 of the Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2023 in August 2023 directing the Company to pay Rs. 0.57.Million in addition to advance payment of Rs. 0.13 Million. Accordingly, the Company has made the payment and the case stands settled.
- viii During the current year, the Company has received ESIC notice for the financial year 2011-12 amounting to Rs. 7.89 Million. The said notice is pertaining to ESIC payment for the (Pune Location) Sub-code (33310424990011101). It has been alleged by the authorities that ESIC payment for the financial year 2011-12 was not made. Personal hearing before Director (Pune Location) was attended and legal submissions were made stating that all due payments for the above mentioned period by providing with relevant ESIC challans and the bank Statement. The Company made payment under protest of Rs. 7.89 million. The Company believes the case is not tenable and accordingly no provision is considered necessary in this mater.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

33 Contingent Liabilities not provided for in the accounts: (Continued)

Goods and Services tax related matter

- ix During the Financial Year 2023-24, in the state of Telangana, the Company has received a show cause notice amounting to Rs 0.68 million under GST Act, 2017. Out of which Company has already paid Rs.0.57 million including interest of Rs.0.23 million towards irregular ITC. The Company filed a reply before the superintendent of central tax; however an unfavourable order for balance amount of Rs.0.34 million was passed through an order dated 30 December 2023. Against the said order, The Company has filed an appeal before Joint commissioner (Appeals). The Company had provided detailed submissions and is of view that it has a good case in hand to defend the matter. Accordingly, no provision is considered necessary in this matter.
- x During the Financial Year 2023-24, the Company has received show cause notice in the state of Chhatisgarh amounting to Rs 7.27 million under GST Act, 2017. Appropriate reply was filed by the Company basis which demand of Rs 6.71 million was dropped and balance demand of Rs 0.56 million was not accepted by department, through an order dated 26 December 2023. Upon receipt of state tax order, revised demand now stands at Rs. 0.56 million for which Company has filed an appeal before Joint Commissioner (Appeal). The Company has paid Rs. 0.03 Million as pre- deposit. The Company has provided detailed submission and believes that it has a good case on facts to defend the said liability. Accordingly, no provision is considered necessary in this matter.
- xi The Company had received notice for intimation of investigation under Rule 129 of the Central Goods and Services Tax Rules, 2017 from the Directorate General of Anti-Profitteering (DGAP). The subject-matter of the investigation was after the rate of GST on the services provided by the Company was reduced with effect from 15.11.2017, whether the Company passed on the benefit of such reduction to the recipients of services in terms of Section 171 of Central Goods and Services Tax Act, 2017. The said investigation is for the period of 15th November 2017 to 31st January 2018. The Company had objected to the invocation of anti-profitteering provisions under the GST statute on both constitutional grounds and factual grounds, only some of which are listed below:

The constitutional grounds:

1. Section 171 and the related delegated legislation is in abrogation of Article 14 of the Constitution of India as it does not lay down any guidance for The National Anti-Profitteering Authority (NAA) for exercise of statutory power and that sub-delegation to NAA to notify procedure and methodology is patently bad in law.
2. The statutory scheme is without constitutional sanction as it is a price control legislation and therefore, not considering costs other tax patently offends Article 19(1)(g) of the Constitution of India.
3. The composition of the NAA is bad in law and violates Article 14 of the Constitution of India.

The factual grounds:

1. The proceedings are bad in law as the period for completion of the investigation was unilaterally enhanced under Rule 129 sans an opportunity of hearing to the Company and constitutes a violation of the principles of natural justice.
2. The impugned order has been passed by the NAA after the time period as contemplated under Rule 133 and hence proceedings are bad in law.
3. No methodology being notified under Rule 126 (either general or specific as raised by the Company) greatly prejudices the Company as an effective defence cannot be mounted since the relevant law is unknown, rendering the proceedings as opaque and manifestly arbitrary. This is further evident as different standards have been followed for similarly-placed businesses.
4. In the absence of a specified methodology, all possible manners of computation are equally valid, and preference cannot be granted to one over the other. The Company has shown through three different means of computation that the cost of Input Tax Credit ("ITC") is 10% - 12.24% while the average incremental revenue is 9.43%. Therefore, the only possible conclusion is that the Company has not indulged in profiteering, but rather passed on benefits more than what was required under law. If one is to follow the methodology as held by the NAA, the cost of ITC on aerated beverages is 40%, but price increase can only be 9.11%. This is absurd, patently illogical and unsustainable in law.
5. The entire proceedings are illegal as the scope of the investigation is different in the reference by the Standing Committee and the Directorate General of Anti-Profitteering ("DGAP"). Hence, the investigation is illegal as jurisdiction of DGAP is based on reference of Standing Committee only.
6. The order traverses beyond the scope of Section 171. Under this provision, only benefit to the extent of tax can be demanded and nothing in excess thereof. Further, such amount can only be demanded from a registered person, which in the present case is the GSTIN of the Company in Maharashtra. Both these principles have been ignored entirely in the order rendering the entire exercise illegal.

The National Anti-Profitteering Authority (NAA) had heard the Company on the above grounds, and had not accepted the contentions of the Company, and passed an order as follows:

- (i) confirmed the demand of Rs. 74.93 million,
- (ii) given direction to the Company reduce prices for the subsequent period.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

33 Contingent Liabilities not provided for in the accounts: (Continued)

(iii) The said order has been challenged by way of a writ petition no. 469 of 2021 filed with the High Court of Bombay. In the first hearing before the High Court of Bombay, liberty had been granted to the Company to approach the court if the situation so arises, and matter has been adjourned. Pending disposal of the writ petition and based on the advice of external counsel, the Company believes that Company has a very good case on both law and facts. Accordingly, no provision is considered necessary in this matter.

xii During the year 2021-2022, the Company received show cause notice under section 74 read with section 122 of the CGST Act, 2017 from Joint Commissioner CGST & C. Ex Mumbai Central alleging that the Company has wrongly availed credit of amount of EC or SHEC amounting Rs. 20.21 million.

In respect of the above SCN the Company has paid tax amount approx. Rs. 14 million, interest amount approx. Rs.11 million and penalty amount approx. Rs. 3 million against the demand amount under protest and filed reply stating that the Company has a vested right to avail benefit of the unutilized amount of EC or SHEC.

Factual Grounds

1. Charging Section i.e. Section 66 of the Service Tax Law provides that service tax at the rate of 12% should be levied on the value of taxable service. Further, Section 91 of Finance Act, 2004 provides that Education Cess ("EC") at the rate of 2% and Section 136 of the Finance Act, 2007 provides that Secondary Higher Education Cess ("SHEC") at the rate of 1% should be levied respectively on the service tax amount. Effectively, service tax rate was 12.36% on the value of services. It further submitted that EC and SHEC earlier levied on provision of services were withdrawn from 1 June 2015 and were subsumed and included in the service tax. As these cesses were subsumed in the service tax levy, the amount lying in the credit towards EC and SHEC should be available as CENVAT credit of service tax. In other words, this is not a case of abolition of EC and SHEC but the cesses were added and became part of the excise duty or service tax.

2. Reliance is placed on the dictionary definition of the term "subsumed", which means to include, absorb in something else or incorporated into something larger or more general. Therefore, unutilised EC and SHEC should be allowed to be utilized for payment of service tax on taxable service, for otherwise the action would be clearly arbitrary, capricious and tantamount to lapsing of credit accrued on the input, though higher excise duty or service tax was payable on the output. The Company has a vested right to claim benefit of utilization of the unutilised credit.

3. The Company further submits that it claims a vested right to avail benefit of the unutilized amount of EC or SHEC credit, which was available and had not been set off as on 1 June 2015 for payment of tax on taxable services. The contention of the Company is that EC and SHEC were subsumed in the Central Excise Duty, is substantiated by the fact that the general rate of which was increased from 12% to 12.5%, and Service tax, which was increased from 12.36% to 14%.

4. The Company further places reliance upon the Budget Speech of the Finance Minister and the memorandum explaining provisions of Finance Bill, 2015, which reads:

As part of the movement towards GST, I propose to subsume the Education Cess and the Secondary and Higher Education Cess in Central Excise duty. In effect, the general rate of Central Excise Duty of 12.36% including the cesses is being rounded off to 12.5%.

It is proposed to increase the present rate of Service Tax plus education cesses from 12.36% to a consolidated rate of 14%.

5. Reference is also made to the Explanation given by the Joint Secretary, Tax Research Unit, Ministry of Finance, Government of India, vide letter F.No.334/5/2015-TRU dated 28 February 2015, which reads.

6. "The rate of Service Tax is being increased from 12% plus Education Cesses to 14%. The 'Education Cess' and 'Secondary and Higher Education Cess' shall be subsumed in the revised rate of Service Tax. Thus, the effective increase in Service Tax rate will be from the existing rate of 12.36% (inclusive of cesses) to 14%, subsuming the cesses"



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

33 Contingent Liabilities not provided for in the accounts: (Continued)

7. The Instructions issued by the CBEC dated 7 December 2015, reveal a policy decision, not to allow utilization of accumulated credit of EC and SHEC, but nowhere states that the credit has lapsed. The Company submits that the Board only stated that the cesses have been phased out and since there is no new liability to pay these cesses, no vested right can be said to exist in relation to the past accumulated credit in the light of Rule 3(7)(b) of CENVAT Credit Rules ('CCR') which stipulates that CENVAT Credit shall be utilised only as against payment of specified liability. The Board could well have stated even at that juncture that the credit lapsed but did not choose to do so. Further there has been no instructions/notification/circular from the Board till date to state that the accumulated credit has lapsed. Thus, though there were a good many occasion that presented themselves to the Board to clearly stipulate that the accumulated credit had lapsed, this was not done. The Company had provided detailed submission before office of the commissioner of CGST & Central Excise and made the payment wherever required. The hearing is yet to be concluded and the company believes that it has a very good case on both law and facts. Accordingly, no provision is considered necessary in this matter.

Income tax related matters

xiii Pursuant to search and seizure conducted in 2018, the income-tax authorities issued an Order in July 2021 under Section 153A of the Income-Tax Act, 1961 directing the Company to file revised returns for 7 years under block assessment. Block assessment for the period A.Y. 2013-14 to A.Y. 2019-20 was completed during the year and the tax authorities had raised a demand amounting to Rs. 477.53 Million. There were apparent errors in determining the tax demand of Rs.477.53 Million for which the Company has filed rectification applications in July 2021. The rectification orders were passed in February 2022. However, while determining the revised demand as per the rectification order, multiple errors were made in the Tax Computation Sheet resulting in a tax demand of Rs. 425.49 Million against original demand of Rs. 477.53 Million. The Company has approached the income tax authorities to revise the rectification order. Upon the rectification being given effect to by the income-tax authorities, the possible tax demand shall stand rectified from Rs. 425.49 Million to Rs.75.45 Million. The Company has also filed an appeal in October 2021 before the Commissioner of Income Tax (Appeals) against the original tax demand of Rs. 477.53 Million. The hearing is yet to be concluded and the company believes the case is not tenable.

Notes

- i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums / authorities.
- ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- iii) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the yearend, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iv) Regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

34 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 207.05 million (March 31, 2023: Rs. 413.52 million).

35 Service tax on conducting charges

The Company had, in accordance with legal advice, filed a petition before the Bombay High Court challenging the amendment in law pertaining to levy of service tax on renting of immovable property retrospectively from June 1, 2007. The Hon'ble High Court dismissed the petition and upheld the constitutional validity of the amendment.

Against the Judgement, the Retailers Association of India (RAI) (of which the Company is a member) had, on behalf of its members, preferred an appeal in the Hon'ble Supreme Court of India (SCI). The said appeal is pending for disposal by the SCI. However, by an order ("the Order"), the SCI issued, inter alia, the following directions:

- 1) All members of RAI to deposit 50% of the arrears due for the period 1st June, 2007 through 30th September, 2011 with the concerned department in three equated instalments on or before 1st November, 2011, 1st January, 2012 and 1st March, 2012;
- 2) For the balance 50% of the arrears, all the members of RAI are:
 - (a) To file solvent surety to the satisfaction of the jurisdictional Commissioners;
 - (b) To file affidavits in the SCI, within four weeks from the date of the Order, undertaking to pay the balance arrears of service tax, stayed in terms of the Order, as may be directed by the SCI at the time of final disposal of the appeal;
- 3) The successful party in the appeal to be entitled to interest on the amount stayed by the SCI at such rate as may be directed by the SCI at the time of final disposal of the appeal.

For the service tax due from 1st October, 2011, no relief in terms of injunction was granted by the SCI.

In respect of above SCI directions, out of total demand of Rs.14.84 million, the Company had deposited 50% of the disputed demand amounting to Rs.7.42 million. and for the balance, 50% provided solvent surety. The amount under dispute has been fully provided in books.

The Company has commenced payment of service tax with effect from 1st October, 2011 to those parties to whom the Company has contractually agreed to pay service tax. The hearing is yet to be concluded from Supreme Court of India.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

36 Segment reporting:

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2024 or 31 March 2023.

37 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006:

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year:		
- Principal	31.80	52.34
- Interest	-	-
Amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with amounts of payment made to supplier beyond the appointed day during accounting year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Based on confirmation / information available with the Group.

38 Employee Stock Option Scheme

- a) Westlife Foodworld Limited ("WFL" or "Holding Company") provides share based payment scheme (the 'Scheme') which covers certain eligible employees of the Company. According to the Scheme, the employees selected by the Nomination and Remuneration Committee from time to time would be entitled to options, subject to satisfaction of the prescribed vesting conditions. Westlife ESOS Trust (the 'Trust') has been established by holding company to facilitate the scheme.

ESOS Scheme 2013

On September 18, 2013, the board of directors of WFL approved the Equity Settled ESOP Scheme 2013 (Scheme 2013) for issue of stock options to the key employees and directors of the Holding Company and the Company. The contractual life (comprising the vesting period and the exercise period) of options granted is 9 years. The other relevant terms of the grant are as below:

Vesting period	Graded vesting – 20% every year (granted upto 2013) Graded vesting – 25% every year (granted post 2013)
Exercise period	9 years

ESOS Scheme 2021

The shareholders of WFL at its meeting held on September 16, 2021 by way of special resolution, formulated the "The Westlife Development Limited Employees Stock Option Scheme 2021" (referred to as 'the Company's 2021 ESOS Scheme'). ESOP is the primary arrangement under which shared plan service incentive are provided to certain employees of it's subsidiary.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

38 Employee Stock Option Scheme (Continued)

b) The details of the activity under the scheme are as below :

Particulars	March 31, 2024		March 31, 2023	
	The ESOS Trust Scheme 2021 (No of options)	Weighted average exercise price (Rs.)	The ESOS Trust Scheme 2021 (No of options)	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	3,72,611	410.64	-	-
Granted during the year	2,60,500	818.88	3,92,986	411.07
Forfeited / lapsed during the year	27,500	610.28	20,375	418.94
Exercised during the year	2,000	500.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,03,611	577.57	3,72,611	410.64
Exercisable at the end of the year	1,97,361	434.71	-	-

Particulars	March 31, 2024		March 31, 2023	
	ESOS 2013 (No of options)	Weighted average exercise price (Rs.)	ESOS 2013 (No of options)	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	-	-	2,46,980	235.72
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	2,37,480	237.87
Exercised during the year	-	-	9,500	182.18
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

For options exercised during the year, the weighted average share price at the exercise date was Rs. 867.74 per share (March 31, 2023: Rs. 466.44 per share).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2024 is 6.87 years (March 31, 2023: 6.88 years). The range of exercise prices for options outstanding at the end of the year was Rs. 2/- to Rs. 897.80/- (March 31, 2023: Rs.2/- to Rs. 698.50/-)

c) Effect of employee share based payment plans on the Statement of Profit and Loss and on its financial position.

Particulars	March 31, 2024	March 31, 2023
Total employee compensation cost pertaining to share option plans	72.18	71.17

However, during the year ended 31st March 2023, Westlife Foodworld Limited (Formerly Known As Westlife Development Limited) ('the Company') vide Board resolution dated 18 May 2022, approved the transition of stock options held by certain employees of its subsidiary company i.e. Hardcastle Restaurants Private Limited from "The Westlife Development Limited Employees Stock Option Scheme 2013" (referred to as 'the Company's 2013 ESOS Scheme') to "The Westlife Development Limited Employee Stock Option (Trust) Scheme 2021" ('referred to as the Company's 2021 ESOS Scheme').

Pursuant to the transition, stock options granted earlier by the Company under the Company's 2013 ESOS Scheme were cancelled on obtaining consent from respective option holders who were paid Rs. 480 lakhs as cash payout in lieu of cancellation. Consequently, net effect on cancellation of options of Rs. 247 lakhs after adjusting balance in 'Employees Stock Option Outstanding Reserve' of Rs. 233 lakhs was charged to the profit and loss of the subsidiary company. Further, as per the transition, in lieu of cancellation of options the option holders were also granted new stock options under Company's 2021 ESOS Scheme in accordance with the terms as set out in the said scheme.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

38 Employee Stock Option Scheme (Continued)

- d) Options granted but not eligible for exercise at end of the year is 4,06,250 (March 31, 2023: 3,72,611)
- e) The fair values are measured based on the Black-Scholes formula. Expected volatility, an input in this formula, is estimated by considering historic average share price volatility. The inputs used in the measurement of grant-date fair values are as follows:

Particulars	March 31, 2024 The ESOS Trust Scheme 2021	March 31, 2023 The ESOS Trust Scheme 2021	March 31, 2024 ESOS 2013	March 31, 2023 ESOS 2013
Weighted average fair value (Rs)	-	-	-	-
Dividend yield (%)	0.42	-	-	-
Expected volatility (%)	38.57	40.33	-	-
Risk-free interest rate (%)	7.21	7.13	-	-
Weighted average share price (Rs)	818.88	617.99	-	-
Exercise Price (Rs)	818.88	411.07	-	-
Expected life of options granted in years	6.08	4.63	-	-

- f) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:

Sr.	Particulars	ESOS 2013	The ESOS Trust Scheme 2021
i)	Date of shareholders' approval	October 30, 2013	September 06, 2021
ii)	Total number of options approved under ESOS	15,00,000	77,33,433
iii)	Vesting requirements	The lock in period between grant and vesting is twelve months and there is no lock in period after the exercise. There shall be a vesting period of one (1) year between grant and vesting of options, and the options granted would not vest more than 5 (five) year from the date of grant of such options.	The lock in period between grant and vesting is twelve months and there is no lock in period after the exercise.
iv)	Exercise price or pricing formula	Rs. 100/-, Rs. 238/-, Rs. 246.70/-, Rs. 314.80/-, Rs. 394.80/-.	Rs. 2/-, Rs. 457.25/-, Rs. 500/-, Rs. 698.50/-, Rs. 701.20/-, Rs. 807.90/-, Rs. 897.80/-
v)	Maximum term of options granted	Five years from the date of grant of options	The vesting of Stock Options may be spread over a period of a certain number of years after the one year from the date of Grant, as may be decided by the Nomination and Remuneration Committee ('the Committee').
vi)	Source of shares (primary, secondary or combination)	Primary Market (new shares allotted against exercise of stock options)	Secondray Market
vii)	Variation in terms of options	No variation in terms of options	No variation in terms of options



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

39 Earnings per equity share

Profit attributable to equity shareholders (basic and diluted)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to equity holders	717.07	1,123.18
Number of equity shares at the beginning of the year (in nos) (refer note 13)	8,73,814	8,73,814
Number of equity shares considered for calculation of basic and diluted earning per share (in nos)	8,73,814	8,73,814
Earnings per share (Rs.)		
- Basic and Diluted	820.62	1,285.38

Note: No dilutive shares outstanding as at balance sheet date

- 40 The Shareholders of the Company in their meeting held on June 27, 2023 approved final dividend of Rs 705/- per equity share of face value of Rs 1,000/- each, for the financial year 2022-2023, to the members of the Company. The said dividend has been paid to the holder of fully paid equity shares on June 30, 2023.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

41 Disclosure on Ind-AS 116

Leases

Company as lessee

The Company's leased assets primarily consist of Stores, Office premises, Leasehold Land and Godowns. Leases of office premises and stores generally have lease term between 10 to 30 years. The Company has applied low value exemption for office equipments and accordingly these are excluded from Ind AS 116. The leases include non cancellable periods and renewable option at the discretion of lessee for determination of lease term where the Company is certain to exercise such option.

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Category of ROU asset	Buildings	Leasehold Land	Total
As at 1st April, 2022	7,646.46	71.43	7,717.89
Additions	1,767.39	-	1,767.39
Modification	24.80	-	24.80
Termination	(170.68)	-	(170.68)
Depreciation expenses	(580.64)	(1.14)	(581.78)
As at March 31, 2023	8,687.33	70.29	8,757.62

Category of ROU asset	Buildings	Leasehold Land	Total
As at 1st April, 2023	8,687.33	70.29	8,757.62
Additions	1,547.17	-	1,547.17
Modification	(38.53)	-	(38.53)
Termination	(0.88)	-	(0.88)
Depreciation expenses	(658.40)	(1.14)	(659.54)
As at March 31, 2024	9,536.69	69.15	9,605.84

ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at March 31, 2023
As at April 1, 2022	8,535.60
Additions	1,703.28
Lease modification other than rent concession	17.80
Rent concession	-
Termination	(203.39)
Accretion of interest	783.56
Payments	(876.82)
As at March 31, 2023	9,960.03
Current	1,095.45
Non-current	8,864.58

Particulars	As at March 31, 2024
As at April 1, 2023	9,960.03
Additions	1,491.26
Lease modification other than rent concession	(38.53)
Rent concession	-
Termination	-
Accretion of interest	900.91
Payments	(1,078.70)
As at March 31, 2024	11,234.97
Current	1,259.82
Non-current	9,975.15



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

41 Disclosure on Ind-AS 116 (Continued)

Leases (Continued)

iii) The following are the amounts recognised in profit or loss:

Particulars	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	659.54	581.78
Interest expense on lease liabilities	900.91	783.56
Expense relating to short-term leases	56.37	103.44
Variable lease payments*	1,033.82	994.68
Gain on lease modification, concession and termination	-	39.65

* Variable lease payments not recognised in the related lease liability are expensed as incurred and include rentals based on revenue from stores.

iv) The undiscounted maturity analysis of lease liabilities at 31 March 2024 and 31 March 2023 is as follows:

Particulars	March 31, 2024	March 31, 2023
Less than one year	1,213.07	1,062.19
One to five years	5,034.16	4,459.10
More than five years	16,818.28	14,418.38
Total	23,065.51	19,939.67

Company as lessor

The Company is an intermediate lessor for certain stores where it has subleased to third parties. The Company has not transferred substantially all the risks and rewards relating to the right of use asset of the head lease to the sub-lessee where it is an intermediate lessor and hence all leases are operating leases.

Rental income on stores given on sub lease to third parties was Rs. 5.36 million for the year ended March 31, 2024 (March 31, 2023: Rs.5.90 million)



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

42 Disclosure required under Section 186 of the Companies Act 2013

Included in loans and advances are certain loans the particulars of which are disclosed below as required under Section 186 of the Companies Act, 2013.

Unsecured Loans (refer note 6)

Particulars	March 31, 2024 Outstanding Amount	March 31, 2024 Maximum Amount outstanding during the year	March 31, 2023 Outstanding Amount	March 31, 2023 Maximum Amount outstanding during the year
Ekam Ultra Farms Private Limited *	-	25.00	25.00	25.00
(Rs 25 million due in May, 2023)				
(Interest @ 14.0% pa)				
Art Rubber Industries Limited*	-	50.00	50.00	50.00
(Rs 50 million due in December, 2023)				
(Interest @ 8.5% pa)				
Westlife ESOS Trust	195.99	231.00	201.00	201.00
Westlife Foodworld Limited				
(Interest @ 8.0% pa)	-	23.67	20.08	68.58

* represent inter corporate deposit placed for earning interest income.

43 As per amendment in Schedule III of Companies Act 2013, following are additional notes to accounts :

a) Loans granted to promoters, directors, KMP and other related parties either severally or jointly that are repayable on demand (refer note 6):

Type of Borrower	Amount of loan outstanding as on March 31, 2024	% to total loans outstanding as on March 31, 2024
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	195.99	97%

Type of Borrower	Amount of loan outstanding as on March 31, 2023	% to total loans outstanding as on March 31, 2023
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	219.60	73%

Note:

- There are no advances given in the nature of loan.
- There are no loans granted without specifying any terms or period of repayment

b) Disclosure Of Transactions With Struck Off Companies

The Company does not have any material transactions with struck off companies during the current year and no material transactions in the previous year.

c) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- Crypto Currency or Virtual Currency
- Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- Registration of charges or satisfaction with Registrar of Companies
- Transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- Relating to borrowed funds:
 - Wilful defaulter
 - Utilisation of borrowed funds
 - Discrepancy in utilization of borrowings



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

43 As per amendment in Schedule III of Companies Act 2013, following are additional notes to accounts (Continued) :

- d) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

44 Ratios

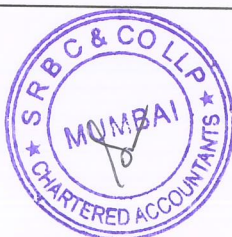
	March 31, 2024	March 31, 2023	Variance	Remarks
Current ratio (in times)	0.29	0.35	-17%	Refer note 1
Debt equity ratio (in times)	0.42	0.38	11%	Refer note 1
Debt service coverage ratio (in times)	1.70	2.02	-16%	Refer note 1
Return on equity ratio (in %)	13%	24%	-44%	Refer note 2
Inventory turnover ratio (in times)	10.55	10.77	-2%	Refer note 1
Trade receivable turnover ratio (in times)	170.63	189.79	-10%	Refer note 1
Trade payables turnover ratio (in times)	3.61	3.91	-8%	Refer note 1
Net capital turnover ratio (in times)	(4.80)	(5.41)	-11%	Refer note 1
Net profit ratio (in %)	3%	5%	-39%	Refer note 2
Return on capital employed (in %)	26%	33%	-21%	Refer note 1
Return on investment (in %)	9%	4%	118%	Refer note 3

Notes:

- 1 There is no significant change (25% or more) in FY 2023-24 in comparison to FY 2022-23.
- 2 The variance is primarily on account of decline in Company's performance in FY 2023-24 compare to FY 2022-23.
- 3 The variance is primarily on account of realisation of income from liquidation of investment in FY 2023-24 compare to FY 2022-23.

Formulas for computation of above ratios are as follows:

Particulars	Formula
Current ratio	Current assets / Current liabilities
Debt equity ratio	Total debt / Shareholders equity
Debt service coverage ratio	(Net profit after taxes + Non-cash operating expenses like depreciation, amortization + Interest + Other adjustment like loss on sale of fixed assets) / Interest + Lease payments + Principal repayments)
Return on equity ratio	Net Profit after taxes / Average Shareholder Equity
Inventory turnover ratio	Cost of materials consumed / Average Inventory
Trade receivable turnover ratio	Revenue from operations / Average Account receivables
Trade payables turnover ratio	(Net credit + Purchases) / Average Trade payables
Net capital turnover ratio	Revenue from operations / Working capital
Net profit ratio	Net profit after tax / Revenue from operations
Return on capital employed	Earnings before interest and tax / (Tangible Net worth + Total debt)
Return on investment	[Interest Income on fixed deposits + Profit / (loss) on sale of investments + Profit (loss) on fair valuation of investments carried at FVTPL+Interest income on bonds] / [Investments + Deposits with banks]



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued) for the year ended March 31, 2024

(Rs. in millions)

- 45 A)** With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Company is required to maintain the books of account which are accessible in India at all times and their backup is to be kept on servers located in India on a daily basis.

In respect of below applications, the status of compliance is as follows:

Requirement's u/s 143(3) of Companies Act, 2013	Accounting Applications/ Software					Oracle Netsuite*
	Microsoft Dynamics 365	POS	McDelivery Services	Allsec Human Resource Management System (HRMS)	Fiorano	
Servers physically located in India	Yes	Yes	Yes	Yes	Yes	No
Backup maintained in India on daily basis and accessible in India at all times	Yes	Yes	Maintained from April 30, 2023, upto March 31, 2024.	Maintained from Feb 07, 2024, upto March 31, 2024.	Maintained from April 17, 2023, upto March 31, 2024.	No

* upto 31st Dec 2023

- B)** The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares, except that audit trail feature is not enabled at the database level for two of the accounting softwares i.e. Fiorano & McDelivery Services. Further audit trail feature has not been tampered with in respect of accounting software's where the audit trail has been enabled. The Service Organisation Controls report available with the Company with regard to its two softwares i.e. Oracle Netsuit and Human Resource Management System ("HRMS") does not state whether audit trail feature for the software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.



Hardcastle Restaurants Private Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Rs. in millions)

- 46 The Company has evaluated subsequent events from the balance sheet date till May 08, 2024, the date at which the financial statements were available to be issued, and determined that there are no items to report.
- 47 Previous year figures has been re-grouped or reclassified, wherever necessary, to conform with the current year's grouping or classification.

For SRBC & Co LLP

Chartered Accountants

ICAI Firm's Registration No: 324982E/E300003



per Ravi Bansal
Partner

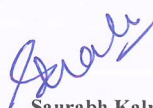
Membership No: 049365

Place: Mumbai


Date: May 08, 2024



For and on behalf of the Board of Directors of
Hardcastle Restaurant Private Limited



Saurabh Kalra
Managing Director
DIN: 10057845



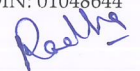
Saurabh Bhudolia
Chief Financial Officer

Place: Mumbai

Date: May 08, 2024



Sanjay Kumar Soni
Whole Time Director
DIN: 01048644



Radha Jain
Company Secretary
Membership No: A28006

INDEPENDENT AUDITOR'S REPORT

To the Members of Hardcastle Restaurants Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Hardcastle Restaurants Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
Revenue Recognition (as described in Note 20 of the Ind AS financial statements)	
<p>The Company's primary source of revenue is from sale of foods, beverages from chain of quick service restaurants (QSR) stores or through online ordering and delivery. Revenue comprises high volume of individually small transactions which increases the risk of revenue being recognized inappropriately and which highlights the criticality of sound internal processes of summarizing and recording sales revenue and deposit of cash collected into bank accounts to mitigate error and fraud risk.</p> <p>In view of the above, we have identified revenue recognition as an area of audit risk and have therefore been identified as a key audit matter.</p>	<p>Our audit procedures included, among others the following:</p> <ol style="list-style-type: none"> 1. Obtained an understanding of revenue recognition process, evaluated the design, implementation and on sample basis, tested the operative effectiveness of key internal financial controls with respect to the revenue recognition and deposit of cash collected into banks including those related to the reconciliation of sales record to cash / credit card / online receipts, preparation, posting and approval of journal entries on the test basis. 2. Performed cash counts / checked management's cash count verification process, at selected stores and examined whether the cash balances are in agreement with the cash receipts reported in the cash-mix report. 3. Performed reconciliation between the cash balance certificate at year end for all the stores and cash sales as per POS vis a vis deposits in bank as per bank statement and its corresponding sales entry recorded in books. 4. Performed analytical procedures on sales performance of individually significant stores, including day wise and month wise sales analysis. Enquired explanation for any major variances, if any.
	<ol style="list-style-type: none"> 5. Assessed the recognition and disclosures as per Ind AS 115 and the accounting policy of the Company in the Ind AS financial statements.
Store Impairment Testing (as described in Note 3(b)(5) of the Ind AS financial statements)	
<p>In accordance with the requirements of Ind AS 36 Impairment of Assets, the Company performs an assessment of store impairment at cash generating units level to determine whether the recoverable value of the store is below the carrying amount of the store as at March 31, 2024.</p> <p>Discounted cash flow model has significant judgment and estimation in respect of cash flow forecasts and discount rate. Changes in certain methodologies and assumptions can lead to</p>	<p>Our audit procedures included, among others the following:</p> <ol style="list-style-type: none"> 1. Obtained an understanding of Impairment Testing process, evaluated the design, implementation and tested the operative effectiveness of key internal financial controls followed by the management to determine indicators of impairment after store stabilization and the recoverable amounts of cash generating units;



Key audit matters	How our audit addressed the key audit matter
<p>significant changes in the assessment of the recoverable value.</p> <p>The assessment of the recoverable amount requires significant judgment, in particular, relating to estimated cash flow projections and discount rates. Due to the level of judgments and estimations involved, this is considered to be a key audit matter.</p>	<p>2. Evaluated appropriateness of the model used in determining the value in use of the cash generating units;</p> <p>3. Assessed the data used to calculate the recoverable amount with the financial budgets approved by management of the Company;</p> <p>4. Analysed the performance of the cash generating units and evaluated the reasonableness of the assumptions and estimates used in computation of value in use as at March 31, 2024;</p> <p>5. Obtained understanding of the key assumptions considered for assessment of future cash flows and the discounting factor considered;</p> <p>6. Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units;</p> <p>7. Assessed the disclosures in accordance with Ind AS 36 and accounting policy in the Ind AS financial statement.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

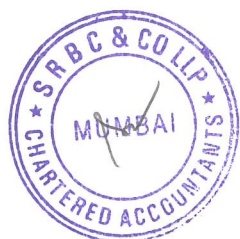
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that as more fully explained in Note 45(A) of Ind AS financial statements, the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis and except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 33 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(d) to the Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(d) to the Ind AS financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. (Refer Note 40 to the Ind AS financial statements)



S R B C & CO LLP

Chartered Accountants

Hardcastle Restaurants Private Limited

Independent Auditor's Report on the Ind AS financial statements - March 31, 2024

Page 7 of 15

- vi. Based on our examination which included test checks, and as more fully explained in Note 45(B) to the Ind AS financial statements, the Company, has used five accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, the same has operated throughout the year for all relevant transactions recorded in the software except that (a) audit trail feature is not enabled for direct changes to data when using certain access rights for two of the accounting softwares (b) in the absence of Service Organisation Controls report in respect of other two accounting softwares, which are operated by a third-party software service provider, for maintaining its books of account, we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting softwares.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Ravi Bansal**

Partner

Membership Number: 049365

UDIN: 24049365BKGVIY7603

Place of Signature: Mumbai

Date: May 08, 2024



Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Hardcastle Restaurants Private Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)(a)(A): The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i)(a)(B): The Company has maintained proper records showing full particulars of intangibles assets.

(i)(b): The property, plant and equipment were physically verified by the management during the current year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i)(c): The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 4 and Note 41 to the Ind AS financial statements are held in the name of the Company except for 7 lease agreements of immovable properties as disclosed in Note 4(B) to the Ind AS financial statements, wherein agreement with the landlord is not duly registered.

(i)(d): The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

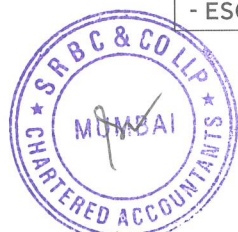
(i)(e): There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a): The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(ii)(b): As disclosed in Note 17 to the Ind AS financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii)(a): During the year the Company has provided unsecured loans to companies as follows:

Particulars	Loans (INR in MN)
Aggregate amount provided during the year	
- Holding Company	5.07
- ESOS Trust	30.00
Balance outstanding as at balance sheet date in respect of above cases	
- Holding Company	-
- ESOS Trust	195.99



During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.

(iii)(b): During the year the investments made and the terms and conditions of the grant of all loans to the companies are not prejudicial to the Company's interest. The Company has not provided guarantees, given security or granted advances in the nature of loans during the year and hence not commented upon. (Also refer Note 5 & 6 to the Ind AS financial statements)

(iii)(c): The unsecured loans granted to the Holding Company and Westlife ESOS Trust are repayable on demand. However, the Company has not exercised its right to demand such loans during the year. The Company has not granted any advance in the nature of loans to firms, Limited Liability Partnership or any other parties and hence not commented upon by us. (Also refer Note 6 to the Ind AS financial statements)

(iii)(d): The unsecured loans granted to the Holding Company and Westlife ESOS Trust are repayable on demand. However, the Company has not exercised its right to demand such loans during the year. The Company has not granted advance in the nature of loans to other companies, firms, Limited Liability Partnership or any other parties and hence not commented upon by us. (Also refer Note 6 to the Ind AS financial statements)

(iii)(e): The unsecured loans granted to the Holding Company and Westlife ESOS Trust are repayable on demand. However, the Company has not exercised its right to demand such loans during the year. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

The Company has not granted advance in the nature of loans to other companies, firms, Limited Liability Partnership or any other parties and hence not commented upon by us.

(iii)(f): As disclosed in Note 43 to the Ind AS financial statements, the Company has granted unsecured loans repayable on demand to Holding Company and the Westlife ESOS Trust. Of these following are the details of the aggregate amount of unsecured loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

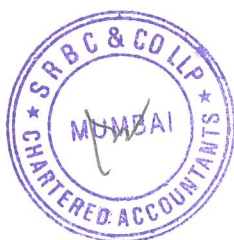
(Rs. in MN)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans: - Repayable on demand	35.07	-	35.07
Percentage of loans to the total loans	100.00%	-	100.00%

(iv): In our opinion and according to the information and explanations given to us, provisions of Section 185 of Companies Act, 2013 in respect of loans given in which directors are interested have been complied with by the Company. Loans and Investments in respect of which provisions of section 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v): The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi): The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.



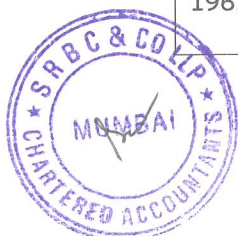
(vii)(a): Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months:

Name of the Statute	Nature of the Dues	Amount (Rs. in MN)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976	Professional Tax	0.16	June 2021 to August 2023	Multiple Dates	Not Paid	Unpaid on account of pending registration in state of Gujarat
The Employees' Provident Fund Scheme, 1952	Provident Fund Contribution	0.18	April 2023 to August 2023	Multiple Dates	Not Paid	Employee's Aadhar not linked to PF UAN, hence not able to deposit with EPFO
The Employees' Provident Fund Scheme, 1952	Provident Fund Contribution	0.62	April 2022 to March 2023	Multiple Dates	Not Paid	Employee's Aadhar not linked to PF UAN, hence not able to deposit with EPFO
Income Tax Act, 1961	Tax Deducted at Source	3.27	FY 2007-08 to FY 2023-24	Multiple Dates	Not Paid	TDS liability appearing on Traces (including interest)

(vii)(b): The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in MN)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	425.49	AY 2013-14 to AY 2019-20	Commissioner of Income Tax, Appeals



SRBC & CO LLP

Chartered Accountants

Hardcastle Restaurants Private Limited
Independent Auditor's Report on the Ind AS financial statements - March 31, 2024
Page 11 of 15

Tamilnadu Value Added Tax Act 2006	Value Added Tax	97.39	FY 2008-09 to FY 2012-13	Appellate Deputy Commissioner
Central Goods & Service Tax Act, 2017	Goods & Service Tax	74.93	15 November 2017 to 31 January 2018	Hon'ble Bombay High Court
The Central Excise Act, 1944	Excise Duty	44.26	FY 2000-01 to FY 2005-06	Customs, Excise and Service Tax Appellate Tribunal
Central Goods & Service Tax Act, 2017	Goods & Service Tax	20.21	FY 2017-18	Honorable Appellate Authority
Central Goods & Service Tax Act, 2017	Goods & Service Tax	0.56	FY 2017-18	Appellate Authority
Central Goods & Service Tax Act, 2017	Goods & Service Tax	0.68	July 2017 To March 2020	Appellate Authority

During the previous years, the Company has deposited Rs 127.81 MN under protest in connection with above disputes.

(viii): The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a): The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix)(b): The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix)(c): The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(ix)(d): On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix)(e): The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix)(f): The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x)(a): The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b): The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.



(xi)(a): No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(xi)(b): During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c): As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii)(a): The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(xii)(b): The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(xii)(c): The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii): Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv)(a): The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b): The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv): The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a): The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi)(b): The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(xvi)(c): The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi)(d): The Group does not have more than one CIC as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii): The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii): There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



S R B C & CO LLP

Chartered Accountants

Hardcastle Restaurants Private Limited

Independent Auditor's Report on the Ind AS financial statements - March 31, 2024

Page 13 of 15

(xix): On the basis of the financial ratios disclosed in Note 44 to the Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a): In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

(xx)(b): All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to an ongoing project, have been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in Note 26.2 to the Ind AS financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Ravi Bansal

Partner

Membership Number: 049365

UDIN: 24049365BKGVIY7603

Place of Signature: Mumbai

Date: May 08, 2024



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF HARDCASTLE RESTAURANTS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Hardcastle Restaurants Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.



Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Ravi Bansal
Partner

Membership Number: 049365
UDIN: 24049365BKGVIY7603
Place of Signature: Mumbai
Date: May 08, 2024

